HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$2,132,224,600	$2,645,359,500	$2,614,886,100	$995,796,400	23.4%	2,229.72	2,344.29	2,344.29	114.57	5.1%
FED	4,609,740,700	4,832,192,700	4,805,570,100	418,281,400	4.5	959.76	998.20	990.70	30.94	3.2
PR	522,139,900	496,426,300	490,136,000	- 57,717,500	- 5.5	2,383.23	2,342.02	2,340.26	- 42.97	- 1.8
SEG	864,930,400	804,661,600	815,062,800	- 110,136,400	- 6.4	2.00	2.00	2.00	0.00	0.0
TOTAL	$8,129,035,600	$8,778,640,100	$8,725,655,000	$1,246,223,900	7.7%	5,574.71	5,686.51	5,677.25	102.54	1.8%

Budget Change Items

Medical Assistance -- Services

1. OVERVIEW OF MA AND MA-RELATED PROGRAMS

This item presents an overview of the Governor's recommendations relating to the state's medical assistance (MA) and related programs. Table 1 summarizes the total funding that would be provided for benefits under the MA and MA-related programs other than SeniorCare in the 2011-13 biennium in the Governor's budget, by fiscal year and funding source.

TABLE 1

Summary of Medicaid and BadgerCare Plus Benefits Funding

	2011-12				
	GPR	FED	PR	SEG	Total
Base	**$1,416,326,200**	**$4,077,380,700**	**$89,266,800**	**$864,618,200**	**$6,447,591,900**
Cost-to-Continue	$712,561,400	$282,177,600	-$29,686,900	-$65,831,400	$899,220,700
Policy Changes					
Unspecified Program Changes	-$55,971,300	-$86,196,000	$8,900,000	0	-$133,267,300
Family Care Enrollment Cap	-26,726,300	-40,715,800	0	0	-67,442,100
QMB Coinsurance Payments for Medicare Part A	-6,018,700	-9,194,500	0	0	-15,213,200
Eliminate EACH Supplemental Payment	-1,878,400	-2,869,600	0	0	-4,748,000
WIMCR Modifications	-7,244,100	0	0	$5,558,900	-1,685,200
Reduce Reimbursement Rates for ESRD	-595,700	-910,000	0	0	-1,505,700
10% Across-the Board Reductions for Non-Staff Costs	0	0	-105,900	0	-105,900
Eliminate Family Planning Waiver Services for Males	-15,900	-89,900	0	0	-105,800
Subtotal -- Policy Changes	-$98,450,400	-$139,975,800	$8,794,100	$5,558,900	-$224,073,200
Total Gross Funding for MA Benefits	**$2,030,437,200**	**$4,219,582,500**	**$68,374,000**	**$804,345,700**	**$7,122,739,400**
Change to Base					
Amount	$614,111,000	$142,201,800	-$20,892,800	-$60,272,500	$675,147,500
Percent	43.4%	3.5%	-23.4%	-7.0%	10.5%
Adjustment to Reflect "Double-Count" of SEG Transfers from the Hospital Assessment Trust Fund and the Critical Access Hospital Assessment Fund	$0	$0	$0	-$152,446,800	-$152,446,800
Net Funding for MA Benefits	**$2,030,437,200**	**$4,219,582,500**	**$68,374,000**	**$651,898,900**	**$6,970,292,600**

	2012-13				
	GPR	FED	PR	SEG	Total
Base	**$1,416,326,200**	**$4,077,380,700**	**$89,266,800**	**$864,618,200**	**$6,447,591,900**
Cost-to-Continue	$838,960,300	$482,045,000	-$36,873,500	-$72,809,300	$1,211,322,500
Policy Changes					
Unspecified Program Changes	-$134,580,300	-$207,663,100	$8,930,000	$0	-$333,313,400
Family Care Enrollment Cap	-89,210,600	-134,150,900	0	0	-223,361,500
QMB Coinsurance Payments for Medicare Part A	-8,581,600	-13,045,500	0	0	-21,627,100
Eliminate EACH Supplemental Payment	-1,884,000	-2,864,000	0	0	-4,748,000
WIMCR Modifications	-43,639,200	0	0	22,938,000	-20,701,200
Reduce Reimbursement Rates for ESRD	-856,800	-1,302,600	0	0	-2,159,400
10% Across-the Board Reductions for Non-Staff Costs	0	0	-105,900	0	-105,900
Eliminate Family Planning Waiver Services for Males	-57,300	-324,800	0	0	-382,100
Subtotal -- Policy Changes	-$278,809,800	-$359,350,900	$8,824,100	$22,938,000	-$606,398,600
Total Gross Funding for MA Benefits	**$1,976,476,700**	**$4,200,074,800**	**$61,217,400**	**$814,746,900**	**$7,052,515,800**
Change to Base					
Amount	$560,150,500	$122,694,100	-$28,049,400	-$49,871,300	$604,923,900
Percent	39.5%	3.0%	-31.4%	-5.8%	9.4%
Adjustment to Reflect "Double-Count" of SEG Transfers from the Hospital Assessment Trust Fund and the Critical Access Hospital Assessment Fund	$0	$0	$0	-$151,619,800	-$151,619,800
Net Funding for MA Benefits	**$1,976,476,700**	**$4,200,074,800**	**$61,217,400**	**$663,127,100**	**$6,900,896,000**

As shown in Table 1, the MA program is primarily supported by general purpose revenue (GPR) and federal matching funds (FED). In addition, three segregated funds (SEG) support program services -- the hospital assessment trust fund, the critical access hospital assessment fund, and the MA trust fund. Finally, program services are supported from several program revenue (PR) sources, including county contributions to partially support the costs of Family Care, funding transferred to DHS from the University of Wisconsin based on services provided to MA recipients at the UW hospital, and tribal gaming revenues.

Table 2 shows the administration's estimate of the average monthly enrollment in the MA and MA-related programs (excluding SeniorCare) during the 2011-13 biennium. The table reflects the administration's estimate of total enrollment, assuming the implementation of the MA policy changes proposed in the bill.

TABLE 2

Estimates of Average Monthly Enrollment in MA Programs With Implementation of Proposed MA Policy Changes

	Actual				Governor's Estimates		
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Elderly	39,500	38,200	38,100	37,900	37,700	37,200	36,400
% Change from Prior Year		-3.3%	-0.3%	-0.5%	-0.5%	-1.3%	-2.2%
Disabled							
MA Only	73,100	76,500	78,600	85,300	89,000	91,100	92,600
Dual Eligibles	68,600	66,000	74,400	75,600	79,000	80,800	82,100
Total Disabled	141,700	142,500	153,000	160,900	168,000	171,900	174,700
% Change from Prior Year		0.6%	7.4%	5.2%	4.4%	2.3%	1.6%
BadgerCare Plus							
Children	332,300	351,500	392,600	442,900	466,800	468,000	460,800
Adults	161,400	175,400	204,600	241,500	257,600	252,200	241,600
Pregnant Women	11,500	15,300	20,600	21,100	21,600	21,700	21,900
Total BadgerCare Plus	505,200	542,200	617,800	705,500	746,000	741,900	724,300
% Change from Prior Year		7.3%	13.9%	14.2%	5.7%	-0.5%	-2.4%
BadgerCare Plus Core Plan	0	0	12,000	56,000	49,200	47,000	47,000
% Change from Prior Year				366.7%	-12.1%	-4.5%	0.0%
Foster Children	15,500	15,800	16,100	17,000	17,400	17,500	17,700
% Change from Prior Year		1.9%	1.9%	5.6%	2.4%	0.6%	1.1%
Well Women MA	300	500	600	700	700	800	1,000
% Change from Prior Year		66.7%	20.0%	16.7%	0.0%	14.3%	25.0%
Former Family Planning Waiver	54,900	51,700	48,200	50,400	58,600	61,100	61,200
% Change from Prior Year		-5.8%	-6.8%	4.6%	16.3%	4.3%	0.2%
Limited Benefit Medicare Eligibles	8,300	10,500	14,000	15,800	18,300	21,200	24,700
% Change from Prior Year		26.5%	33.3%	12.9%	15.8%	15.8%	16.5%
Total Enrollment	765,400	801,400	899,800	1,044,200	1,095,900	1,098,600	1,087,000
% Change from Prior Year		4.7%	12.3%	16.0%	5.0%	0.2%	-1.1%

Table 3 identifies projected revenues to and expenditures from the segregated MA trust fund (MATF), as reflected in the Governor's budget.

TABLE 3

MA Trust Fund
Estimated Revenues, Expenditures, and Balances

	2010-11	2011-12	2012-13
Beginning Balance	**$497,400**	**$7,112,500**	**$9,759,400**
Projected Revenue			
Nursing Home Certified Public Expenditure Program	$48,884,000	$43,884,000	$38,884,000
Nursing Home Bed Assessment	72,224,200	71,293,900	70,216,800
ICF-MR Bed Assessment	8,565,900	8,610,400	8,513,700
Enhanced Federal Match for Services Provided by Counties	19,068,600	0	0
Federal Funds from Wisconsin Medicaid Cost Reporting Program	0	5,558,900	22,938,000
Interest Expenses	-231,600	-231,600	-231,600
Revenue Transferred from Other Funds			
Hospital Assessment Revenue	203,452,700	147,896,600	147,112,600
Critical Access Hospital Assessment Revenue	5,218,700	3,793,600	3,773,500
Ambulatory Surgery Center Assessment Revenue	16,600,000	16,600,000	16,600,000
Permanent Endowment Fund	50,000,000	50,000,000	50,000,000
UW Lapse for UW Physicians Intergovernmental Transfer	25,000,000	27,500,000	27,500,000
HealthCheck Services Provided by Residential Care Centers	12,800,000	7,000,000	7,000,000
Total Funds Available	**$462,079,900**	**$389,018,300**	**$402,066,400**
Expenditures			
MA Benefits	$440,531,400	$379,258,900	$389,660,100
Required Lapse to General Fund	7,021,400	0	0
Carryover of Unexpended Authority from 2009-10	7,414,600	0	0
Total Expenditures	**$45,467,400**	**$379,258,900**	**$389,660,100**
Closing Balance	**$7,112,500**	**$9,759,400**	**$12,406,300**

Table 4 summarizes the total funding that would be provided for benefits under the Family Care program in the 2011-13 biennium in the Governor's budget, by fiscal year and funding source.

TABLE 4

Family Care Benefits Funding

	GPR	FED	PR	All Funds
2011-12				
Base Funding	$447,005,300	$942,258,300	$62,795,800	$1,452,059,400
Cost-to-Continue	95,061,900	-39,726,300	-14,063,800	41,271,800
Family Care Enrollment Cap	-28,306,800	-43,242,700	0	-71,549,500
Total Funding for Family Care Benefits	$513,760,400	$859,289,300	$48,732,000	$1,421,781,700
Total Change to Base	$66,755,100	-$82,969,000	-$14,063,800	-$30,277,700
2012-13				
Base Funding	$447,005,300	$942,258,300	$62,795,800	$1,452,059,400
Cost-to-Continue	149,483,600	27,712,700	-21,220,400	155,975,900
Family Care Enrollment Cap	-93,900,300	-142,745,100	0	-236,645,400
Total Funding for Family Care Benefits	$502,588,600	$827,225,900	$41,575,400	$1,371,389,900
Total Change to Base	$55,583,300	-$115,032,400	-$21,220,400	-$80,669,500

Table 5 summarizes the total funding that would be provided for aging and disability resource centers (ADRCs) in the 2011-13 biennium in the Governor's budget, by fiscal year and funding source.

TABLE 5

Family Care ADRC Funding

	GPR	FED	All Funds
2011-12			
Base Funding	$33,492,300	$10,064,000	$43,556,300
ADRC Expansion	273,200	106,200	379,400
Total Funding	$33,765,500	$10,170,200	$43,935,700
2012-13			
Base Funding	$33,492,300	$10,064,000	$43,556,300
ADRC Expansion	4,287,200	1,667,200	5,954,400
Total Funding	$37,779,500	$11,731,200	$49,510,700

2. BASE REESTIMATES

GPR-Lapse	$24,950,000
GPR	$1,584,738,100
FED	764,222,600
PR	- 22,176,100
SEG	- 138,640,700
Total	$2,188,143,900

Governor: Provide $937,649,000 ($729,499,400 GPR, $282,177,600 FED, -$8,196,600 PR, and -$65,831,400 SEG) in 2011-12 and $1,250,494,900 ($855,238,700 GPR, $482,045,000 FED, -$13,979,500 PR, and -$72,809,300 SEG) in 2012-13 to fund the administration's estimate of the increased cost to provide benefits under the state's medical assistance (MA) and MA-related programs (excluding SeniorCare) during the 2011-13 biennium under current law.

This item incorporates the administration's projection that the state's federal medical assistance percentage (FMAP), which is the portion of most MA benefit expenditures funded by federal MA matching funds, will average 60.44% in 2011-12 and 60.32% in 2012-13. Those projected FMAPs are significantly lower than the state's average FMAP (68.75%) in 2010-11. The decline is attributable to the June 30, 2011 expiration of the enhanced FMAP the state received under the American Recovery and Reinvestment Act of 2009 (ARRA). The administration has estimated that $660,254,700 GPR and $666,606,600 GPR is required in 2011-12 and 2012-13, respectively, to replace the reduced federal MA matching funds the state will receive as a result of the projected FMAP declines. That additional GPR, and a corresponding decrease in FED, is reflected in the funding amounts in this item.

MA Benefits Funding. This item includes increased funding for MA benefits by $899,220,700 ($712,561,400 GPR, $282,177,600 FED, -$29,686,900 PR and -$65,831,400 SEG) in 2011-12 and $1,211,322,500 ($838,960,300 GPR, $482,045,000 FED, -$36,873,500 PR and -$72,809,300 SEG) in 2012-13.

Adjustments to Other Appropriations. In addition, this item adjusts funding for several appropriations that are related to the MA program, but which are not usually included in defining the MA budget. These appropriations are excluded from Table 1 under Item 1 ("Overview of MA and MA-Related Programs"). These adjustments include: (a) increases in funding for the community options program ($28,311,200 GPR annually); (b) reductions in funding for community aids (-$11,373,200 GPR in 2011-12 and -$12,032,800 GPR in 2012-13) related to the Wisconsin Medicaid cost reporting (WIMCR) program; (c) increased funding from premiums paid by BadgerCare Plus enrollees ($10,006,100 PR in 2011-12 and $10,049,400 PR in 2012-13); and (d) reestimates of premium revenue under the BadgerCare Basic program ($11,484,200 PR in 2011-12 and $12,844,600 PR in 2012-13).

Lapse from MA Benefits GPR Appropriation. Notwithstanding current law regarding the treatment of biennial appropriations, direct DHS to lapse to the general fund from a biennial GPR appropriation that funds MA benefit costs, no more than $24,950,000 in the first fiscal year of the fiscal biennium in which this provision takes effect.

[Bill Section: 9221(1)]

3. UNSPECIFIED PROGRAM CHANGES

GPR	- $190,551,600
FED	- 293,859,100
PR	17,830,000
Total	- $466,580,700

Governor: Reduce medical assistance (MA) benefits funding by $133,267,300 (-$55,971,300 GPR, -$86,196,000 FED, and $8,900,000 PR) in 2011-12 and by $333,313,400 (-$134,580,300 GPR, -$207,663,100 FED, and $8,930,000 PR) in 2012-13 to reflect the administration's estimates of savings that would result by making changes to MA and related programs. The bill contains no statutory changes that would indicate how DHS would realize these savings. However, it is anticipated that for at least some of the proposed changes, DHS would exercise the rulemaking authority provided in 2011 Wisconsin Act 10. Act 10 authorized DHS to promulgate rules that could supersede a number of current statutes relating to the MA program, including statutes pertaining to program eligibility, services, plan structure, and recipient cost-sharing requirements. In some instances, the proposed changes would require a waiver of current federal law from the federal Department of Health and Human Services. The Act 10 provisions will sunset on January 1, 2015.

The administration has provided a general description of the types of program changes it intends to pursue. First, DHS would seek to enroll more MA recipients in the benchmark plan, which provides more limited benefits and greater cost-sharing requirements for recipients than the standard plan. DHS would propose to revise cost-sharing requirements to be more comparable with private health insurance coverage, but would limit total copayments, coinsurance, and premiums a family would pay to five percent of the family's income.

Second, DHS would seek to require certain groups of individuals to enroll in other available plans prior to enrolling in MA. One such group would be young adults who are currently enrolled in BadgerCare Plus who are eligible for coverage under their parents' policies. Third, DHS would review current standards for state residency, revise retroactive eligibility and eligibility grace period policies, and seek to improve the accuracy of eligibility determinations. Fourth, DHS would seek to develop service delivery models, such as health homes, to improve care management and implement systems to coordinate care across Medicaid and Medicare for recipients eligible for both programs. Fifth, DHS intends to review provider reimbursement methodologies to place greater emphasis on improving care outcomes. Finally, DHS expects to generate savings by improving provider program integrity.

4. FAMILY CARE -- ENROLLMENT CAP

GPR	- $115,936,900
FED	- 174,866,700
Total	- $290,803,600

Governor: Reduce funding by $67,442,100 (-$26,726,300 GPR and -$40,715,800 FED) in 2011-12 and by $223,361,500 (-$89,210,600 GPR and -$134,150,900 FED) in 2012-13 to reflect estimates of savings that would result by placing a cap on enrollment in Family Care and related programs in the 2011-13 biennium. Family Care and its related programs [the Family Care Partnership Program, the Program for All-Inclusive Care for the Elderly (PACE), and the Include, Respect, I Self-Direct (IRIS) program] provide long-term care services to medical assistance (MA) recipients who meet financial and functional eligibility requirements in counties where these programs operate. The long-term care benefits individuals enrolled in these programs receive include many services that are not available under the MA standard plan.

Prohibit DHS from enrolling, in a county, more persons into the Family Care, Family Care Partnership, PACE, or IRIS program than the number of persons participating in each of those programs in that county on June 20, 2011, or the effective date of the provision, whichever is later. The enrollment cap would not apply after June 30, 2013.

Prohibit DHS from proposing to contract with entities to administer the Family Care benefit in a county in which the Family Care benefit is not available on July 1, 2011, unless DHS determines that administering the Family Care benefit in such a county would be more cost-effective than the county's current mechanism for delivering long-term care services. This prohibition would be in effect from July 1, 2011, through June 30, 2013.

Currently, home and community-based waiver recipients that choose to enroll in one of these programs are transitioned to the program of their choosing during the first six months the program is offered in their county. Family Care and its related programs replace most home and community-based waiver programs in participating counties. Individuals on the waitlist for a waiver program can transition to Family Care over the first three years the program is offered. All MA recipients in participating counties who meet financial and functional eligibility standards for these programs are entitled to enroll in these programs three years after the program is first offered.

Under the "MA Base Reestimate" item, the funding change for MA benefits costs is based on current law, which permits counties currently participating in Family Care to continue to increase enrollment in these programs throughout the 2011-13 biennium. In the "MA Base Reestimate" item, the administration estimates that approximately 52,100 would be enrolled in these long-term care programs as of June 30, 2013.

This item deletes funding that would be provided as part of the MA Base Reestimate item relating to projected enrollment increases. The funding reduction reflects the administration's estimates that approximately 42,300 individuals will be enrolled in these long-term care programs as of June 20, 2011, including 34,700 in Family Care; 4,700 in the Family Care Partnership and PACE programs; and 2,900 in IRIS; and that enrollment will remain constant throughout the 2011-13 biennium.

Family Care Benefits. This item includes decreased funding for Family Care benefits by $71,549,500 (-$28,306,800 GPR and -$43,242,700 FED) in 2011-12 and by $236,645,400 (-$93,900,300 GPR and -$142,745,100 FED) in 2012-13.

Adjustments to Other Appropriations. In addition, this item adjusts funding for several appropriations that are related to the Family Care program, but which are not usually included in defining the Family Care budget. These appropriations are excluded from Table 4 under Item 1 ("Overview of MA and MA-Related Programs"). These adjustments include: (a) increases in MA program benefits ($6,157,500 GPR and $2,513,400 FED in 2011-12 and $19,843,900 GPR and $8,518,500 FED in 2012-13); (b) decreases in MA waiver benefits (-$4,582,100 GPR in 2011-12 and -$15,183,400 GPR in 2012-13); and (c) increases in health care for low-income families ($5,100 GPR and $13,500 FED in 2011-12 and $29,200 GPR and $75,700 FED in 2012-13).

[Bill Sections: 9121(1) thru (5)]

5. FAMILY CARE -- AGING AND DISABILITY RESOURCE CENTERS

GPR	$4,560,400
FED	1,773,400
Total	$6,333,800

Governor: Provide $379,400 ($273,200 GPR and $106,200 FED) in 2011-12 and $5,954,400 ($4,287,200 GPR and $1,667,200 FED) in 2012-13 for the following purposes: (a) to fully fund aging and disability resource centers (ADRCs) that began offering services in the 2009-11 biennium for which partial year funding is provided in the agency's base budget; and (b) to fund ADRCs that the administration expects will begin providing services in 13 counties, beginning in 2011-12.

6. SENIORCARE -- BASE REESTIMATE

GPR	- $5,584,200
FED	- 11,372,900
PR	2,856,500
Total	- $14,100,600

Governor: Reduce funding for SeniorCare benefits by $11,874,500 (-$4,123,300 GPR, -$6,995,900 FED, and -$755,300 PR) in 2011-12 and by $2,226,100 (-$1,460,900 GPR, -$4,377,000 FED, and $3,611,800 PR) in 2012-13 to reflect the administration's estimate of the amount of funding needed to support SeniorCare benefits in the 2011-13 biennium under current law.

SeniorCare provides prescription drug benefits to Wisconsin residents who are age 65 or older and who are not eligible for full benefits under medical assistance (including prescription drug coverage). The program has four benefit levels, based on the enrollee's income. Level 1 is for individuals whose incomes are not greater than 160% of the federal poverty level (FPL). These enrollees do not have to meet a deductible. Level 2a is for individuals with incomes greater than 160% of the FPL but not greater than 200% of the FPL. These enrollees must meet a $500 annual deductible (satisfied by incurring prescription drug costs equal to the amount of the deductible). Level 2b is for individuals with incomes greater than 200% of the FPL but not greater than 240% of the FPL. These enrollees must meet an $850 annual deductible. Level 3 is for individuals with incomes greater than 240% of the FPL. These enrollees must first "spend down" by incurring prescription drug costs equal to the difference between their income and 240% of the FPL. After they satisfy their spend-down requirement, these enrollees must meet an $850 annual deductible. Once an enrollee meets their deductible, if any, they can obtain prescription drugs covered by the SeniorCare program by paying a $5 copayment for generic drugs and a $15 copayment for brand name drugs.

Enrollees in Level 1 and Level 2a are part of the SeniorCare waiver program, which operates pursuant to a waiver agreement between DHS and the federal government. That agreement expires on December 31, 2012. Under its terms, the state receives federal matching funds at its FMAP rate for costs related to Level 1 and Level 2a enrollees. SeniorCare enrollees in Level 2b and Level 3 are not part of the waiver, and the state does not receive federal matching funds to partially offset their prescription drug costs. In addition to federal matching funds, SeniorCare benefits are funded by GPR and the rebates the state receives from drug manufacturers whose prescription drugs are obtained by program enrollees.

SeniorCare benefits expenditures totaled $114,696,400 ($18,273,100 GPR, $16,741,000 FED, and $79,682,300 PR) in 2009-10. The PR represents drug manufacturer rebates. Program expenditures in 2009-10 were approximately 8% less than the prior year. DHS attributes the decrease to declining utilization of services, perhaps due in part to enrollees' greater utilization of Medicare Part D, and to moderating drug price inflation. Those trends are expected to have continued in 2010-11, with SeniorCare expenditures projected to decrease to approximately $100 million (all funds).

The following table shows base funding for the SeniorCare program, and the administration's estimate of the program's cost-to-continue requirements for the 2011-13 biennium, assuming no changes to current law:

SeniorCare Benefit Expenditure
Base Funding and Administration's Estimated Cost-to-Continue
2011-13 Biennium

	2010-11 Base Funding	2011-12 Projected	2012-13 Projected	2011-12 Change to Base	2012-13 Change to Base	Biennium Change to Base
GPR	$33,125,800	$29,002,500	$31,664,900	-$4,123,300	-$1,460,900	-$5,584,200
FED	36,924,200	29,928,300	32,547,200	-6,995,900	-4,377,000	-11,372,900
PR	49,485,400	48,730,100	53,097,200	-755,300	3,611,800	2,856,500
	$119,535,400	$107,660,900	$117,309,300	-$11,874,500	-$2,226,100	-$14,100,600

In 2009-10, average weekly enrollment in the SeniorCare program was 87,700 individuals, which was unchanged from the prior year. In 2010-11 and during the 2011-13 biennium, the administration expects enrollment to increase approximately 2% per year. These trends are shown in the following table:

Actual and Projected Average Weekly SeniorCare Enrollment,
by Participation Level
Fiscal Years 2009-10 through 2012-13

SeniorCare Participation Level	2009-10 Actual	2010-11 Projected	2011-12 Projected	2012-13 Projected
0 to 160% FPL	39,500	40,000	40,700	41,500
> 160% to 200% FPL	20,700	21,200	21,500	21,900
> 200% to 240% FPL	11,800	11,900	12,100	12,300
> 240% FPL	15,700	16,700	17,100	17,400
	87,700	89,800	91,400	93,100
Percent Change from Prior Year	0.0%	2.4%	1.8%	1.9%

The bill contains one other item that would affect funding for the SeniorCare program during the 2011-13 biennium. That item is summarized separately under "SeniorCare -- Required Medicare Part D Application and Enrollment."

7. SENIORCARE -- REQUIRED MEDICARE PART D APPLICATION AND ENROLLMENT

GPR	- $15,000,000
FED	- 15,000,000
PR	- 24,900,000
Total	- $54,900,000

Governor: Reduce funding for SeniorCare benefits by $18,300,000 (-$5,000,000 GPR, -$5,000,000 FED, and -$8,300,000 PR) in 2011-12 and by $36,600,000 (-$10,000,000 GPR, -$10,000,000 FED, and -$16,600,000 PR) in 2012-13 to reflect the administration's estimate of the savings that would result from requiring SeniorCare participants to apply for and, if eligible, enroll in Medicare Part D.

Statutory Change. Require all individuals who apply for SeniorCare benefits on or after the bill's effective date to apply for, and if eligible, enroll in Medicare Part D, if the Secretary of the Department of Health and Human Services approves this new condition of eligibility for SeniorCare. Specify that individuals who are enrolled in SeniorCare as of the bill's effective date would not be required to comply with the new requirement before January 1, 2012.

Current law does not require SeniorCare participants to enroll in Medicare Part D or in any other type of third-party prescription drug coverage, although some participants do. Of the 91,000 individuals currently enrolled in SeniorCare, approximately 12,100 also have prescription drug coverage under Medicare Part D. SeniorCare is a payer of last resort for individuals with other drug coverage.

Funding Change. The administration's savings estimate assumes SeniorCare will be responsible for enrollees' prescription drug costs that are not covered by Medicare Part D, such as Medicare Part D cost-sharing requirements beyond the existing SeniorCare cost-sharing requirements and the portion of enrollees' drug costs that would otherwise be paid by enrollees while they are in the Medicare Part D "doughnut hole," to the extent these prescription drugs are covered by SeniorCare. Under the bill, SeniorCare would not be responsible for paying the Medicare Part D premiums enrollees would be required to pay as a condition of participating in the SeniorCare program.

[Bill Sections: 1480, 1481, and 9121(11)]

8. QMB COINSURANCE PAYMENTS FOR MEDICARE PART A SERVICES

GPR	- $14,600,300
FED	- 22,240,000
Total	- $36,840,300

Governor: Reduce funding for medical assistance (MA) benefits by $15,213,200 (-$6,018,700 GPR and -$9,194,500 FED) in 2011-12 and by $21,627,100 (-$8,581,600 GPR and -$13,045,500 FED) in 2012-13 to reflect the administration's estimates of savings that would be realized by reducing MA payments to health care providers for services covered under Medicare Part A to qualified Medicare beneficiaries (QMBs).

Federal law requires state MA programs to provide financial assistance to certain low-income elderly and disabled individuals who are entitled to coverage under Medicare Part A but who do not qualify for full benefits under the state's MA program. One such group of individuals is referred to as QMBs. For individuals who meet the QMB eligibility criteria (limited resources and income not greater than 100% of the federal poverty level), the state's MA program pays their Medicare Part A premium (if any), their Part B premium, their Medicare deductible, and their Medicare coinsurance obligations.

With respect to Medicare coinsurance obligations, current state law makes a distinction between Part A services and Part B services. Currently, the state's MA program pays 100% of QMBs' coinsurance requirements for Medicare Part A services (which include inpatient hospital services, post-hospital extended care services provided in nursing homes, and certain home health care services). For Medicare Part B services (which include physician services), the state's MA program covers QMBs' Medicare coinsurance obligations, subject to the limitation that such payments cannot exceed the allowable charges for the service under the MA program minus the Medicare payment.

The bill would extend this limitation to QMBs' coinsurance obligations for all Medicare Part A services such that the MA program's payment of Medicare Part A coinsurance obligations on behalf of QMBs could not exceed the allowable charge under the MA program for those services less the Medicare payment.

[Bill Sections: 1455 and 1456]

9. WISCONSIN MEDICAID COST REPORTING PROGRAM

GPR	- $15,812,500
SEG	28,496,900
Total	$12,684,400

Governor: Reduce funding by $1,685,200 (-$7,244,100 GPR and $5,558,900 SEG) in 2011-12 and increase funding by $14,369,600 (-$8,568,400 GPR and $22,938,000 SEG) in 2012-13 to reflect the projected net fiscal effect of changes to the Wisconsin Medicaid Cost Reporting (WIMCR) program.

This item includes: (a) reducing MA benefits funding by $1,685,200 (-$7,244,100 GPR and $5,558,900 SEG) in 2011-12 and by $20,701,200 (-$43,639,200 GPR and $22,938,000 SEG) in 2012-13; and (b) increasing funding for community aids by $35,070,800 GPR in 2012-13.

Currently, counties report to DHS their full costs for providing certain medical assistance (MA) services to individuals. The MA program makes payment adjustments (the WIMCR payment) to those counties to reimburse them for the difference between their reported service costs and the MA program's standard reimbursement rates. These WIMCR payments are funded by a combination of GPR and federal MA matching funds. The amount of funding each county receives under the county's community aids basic county allocations (BCA) is reduced by the amount of these WIMCR payments. Because the WIMCR payment is funded by a combination of GPR and FED, and the BCA payments are funded completely with GPR, the net result of the WIMCR transactions is a decrease in GPR costs to the state.

The state currently shares $19.25 million of the annual WIMCR savings with counties by reducing their BCA payment by $19.25 million less than the full amount of the WIMCR payment. That $19.25 million is distributed to counties using a two-step process. First, counties that participated in the community services deficit reduction benefit (CSDRB), a voluntary certified public expenditure (CPE) program that WIMCR replaced, receive an amount equal to their 2002 CSDRB claim, or the FED share of their current WIMCR claim, whichever is less. The remainder of the $19.25 million is distributed to all 72 counties based on the relative size of their current WIMCR claim.

The bill would modify current law relating to the WIMCR program as follows. First, it would establish two methods by which DHS could make additional payments to counties for certain MA-covered services they provide. The first method would be identical to the current WIMCR program.

The second method would be through a certified public expenditure (CPE) program by which counties would be required to submit to DHS certified cost reports that meet the requirements of the U.S. Department of Health and Human Services (DHHS) for certain MA-covered services they provide. DHS would claim federal MA matching funds based on those certified cost reports, and pay counties a percentage of those federal matching funds based on a percentage established in the most recent biennial budget. The bill would also establish a similar claiming process based on certified cost reports for local health departments that provide these same MA-covered services.

The bill would require DHS to select which of these two payment procedures it will use, and allow DHS to change the procedure it selects. DHS would be required to notify each county department and each local health department, as applicable, of the selected payment procedure before the date on which payment is made.

If DHS selects the first method, the bill authorizes the Department to make the WIMCR payment and to adjust the counties' BCA payments as provided under the current WIMCR program, with two modifications: (a) the bill would allow DHS to require a county department or a local health department to submit a certified cost report that meets the requirements of DHHS for the MA-covered services in question; and (b) the bill would no longer allow DHS to make WIMCR payments for several MA-covered services, including home health services, personal care services, and respiratory care services for ventilator-dependent individuals, if those services are provided on or after January 1, 2012. The CPE program under the newly-created second method, however, would allow counties and local health departments to submit certified cost reports for most of those services.

The administration assumes the following fiscal effects associated with the statutory changes to the WIMCR program contained in the bill:

	GPR	SEG	Total
2011-12			
Reduce WIMCR Payments	-$1,685,200	$0	-$1,685,200
Increase BCA Payments by eliminating the WIMCR Adjustment	0	0	0
Deposit Portion of the CPE FED revenue to the MA Trust Fund	0	5,558,900	5,558,900
Reduce GPR-Funded MA Benefit Expenditures	-5,558,900	0	-5,558,900
	-$7,244,100	$5,558,900	-$1,685,200
2012-13			
Reduce WIMCR Payments	-$20,701,200	$0	-$20,701,200
Increase BCA Payments by eliminating the WIMCR Adjustment	35,070,800	0	35,070,800
Deposit Portion of the CPE FED revenue to the MA Trust Fund	0	22,938,000	22,938,000
Reduce GPR-Funded MA Benefit Expenditures	-22,938,000	0	-22,938,000
	-$8,568,400	$22,938,000	$14,369,600
Biennium			
Reduce WIMCR Payments	-$22,386,400	$0	-$22,386,400
Increase BCA Payments by eliminating the WIMCR Adjustment	35,070,800	0	35,070,800
Deposit Portion of the CPE FED revenue to the MA Trust Fund	0	28,496,900	28,496,900
Reduce GPR-Funded MA Benefit Expenditures	-28,496,900	0	-28,496,900
	-$15,812,500	$28,496,900	$12,684,400

The fiscal changes reflect the administration's assumption that DHS will begin using the CPE program, rather than the current WIMCR program, for services provided on or after January 1, 2012. Most of the GPR savings assumed in the bill are one-time savings attributed to the fact that 2009 Act 28 required DHS to make approximately 25% of the BCA payments in the first half of the calendar year and 75% of the BCA payment in the second half of the calendar year. As a result, the BCA payment budgeted in the first half of the calendar year is not large enough to accommodate the full reduction needed to adjust for the corresponding WIMCR payments. Consequently, the GPR savings the state receives from the BCA adjustment is deferred into the next state fiscal year (and, in the case of odd-numbered years, into the next fiscal biennium). By implementing the CPE program that would be created under the bill for service dates beginning January 1, 2012, the administration assumes the state will be able to benefit from the full amount of the CPE FED claim during the 2011-13 biennium.

[Bill Sections: 657, 1307, 1431, and 1444 thru 1449]

10. ESSENTIAL ACCESS CITY HOSPITAL SUPPLEMENTAL PAYMENT

GPR	- $3,762,400
FED	- 5,733,600
Total	- $9,496,000

Governor: Reduce funding for medical assistance (MA) benefits by $4,748,000 (-$1,878,400 GPR and -$2,869,600 FED) in 2011-12 and by $4,748,000 (-$1,884,000 GPR and -$2,864,000 FED) in 2012-13 to delete funding DHS uses to make an annual supplemental payment to an essential access city hospital (EACH) under the MA program. Repeal the current statutory provision that authorizes DHS to make this supplemental payment.

Currently, DHS is authorized to make a supplemental payment to an EACH of no more than $4,748,000 (all funds) annually. For these purposes, Wisconsin's inpatient hospital state plan defines an EACH, in part, as a hospital which during the period July 1, 1995 through June 30, 1996, was located in the inner city of Milwaukee and served a requisite percentage of MA recipients. Since the EACH payment was established, the only hospital to receive a supplemental payment under these provisions has been the Aurora Sinai Medical Center in the City of Milwaukee.

[Bill Section: 1433]

11. REDUCE MA PAYMENT RATES FOR SERVICES RELATED TO END STAGE RENAL DISEASE

GPR	- $1,452,500
FED	- 2,212,600
Total	- $3,665,100

Governor: Reduce funding for medical assistance (MA) benefits by $1,505,700 (-$595,700 GPR and -$910,000 FED) in 2011-12 and by $2,159,400 (-$856,800 GPR and -$1,302,600 FED) to reflect projected savings DHS would realize by reducing MA payment rates for services related to end stage renal disease. Currently, the MA program pays providers the same rates that the federal Medicare program pays for these services. The savings projected under this item reflect the Department's plan to reduce MA provider reimbursement rates to levels below the Medicare rates.

12. ELIMINATE FAMILY PLANNING WAIVER SERVICES FOR MALES

GPR	- $73,200
FED	- 414,700
Total	- $487,900

Governor: Reduce funding for medical assistance (MA) benefits by $105,800 (-$15,900 GPR and -$89,900 FED) in 2011-12 and by $382,100 (-$57,300 GPR and -$324,800 FED) in 2012-13 to reflect the administration's estimate of the savings that would result from eliminating family planning service to males who qualified for those services under the state's former family planning waiver program, effective January 1, 2012.

2009 Act 28 authorized DHS to seek a waiver from the U.S. Department of Health and Human Services to expand the state's then-existing family planning waiver program to include males ages 15 through 44 with family incomes not greater than 200% of the federal poverty level, and authorized DHS to implement the amended waiver if it was approved. That waiver request was granted, and DHS began providing family planning services to these males effective May 1, 2010. That waiver agreement expired on October 31, 2010, and pursuant to provisions in the federal Patient Protection and Affordable Care Act, DHS now provides these family planning services to males as an optional service under the state's MA plan. The bill would repeal the Act 28 provision that authorized DHS to request a modification to the then-existing family planning waiver program to include services to males, effective January 1, 2012.

[Bill Sections: 1440, 1441, and 9421(7)]

13. THIRD PARTY CLAIMS ADMINISTRATOR -- COUNTY PAYMENTS

PR	$24,010,300

Governor: Provide $11,237,000 in 2011-12 and $12,773,300 in 2012-13 to permit DHS to pay a third party administrator (TPA) to administer and pay claims for services children receive under the medical assistance (MA) children's long-term support (CLTS) waiver program and the Birth-to-3 waiver program.

Authorize DHS to collect the following revenues from counties, which would be credited to a new, continuing program revenue (PR) appropriation for the TPA to administer and pay for services under these programs: (a) funding for payments that counties formerly made to providers for locally-funded CLTS waiver services and services provided under the Birth-to-3 waiver program; and (b) the non-federal share of the TPA administrative costs for any locally funded CLTS waiver services created after January 1, 2011, and for the Birth-to-3 waiver.

Establish a new PR appropriation to receive monies from counties for the nonfederal share of costs for administration and MA services provided under the Birth-to-3 and CLTS waiver programs. Permit, rather than require, DHS to distribute to counties that provide Birth-to-3 services, the amount of federal monies received by the state as the federal share of MA for Birth-to-3 services, minus the amount used by DHS to administer the Birth-to-3 program.

As a condition of the waiver agreements with the Centers for Medicare and Medicaid Services, the state must administer program payments through an integrated Medicaid Management Information System (MMIS). As the previous system for CLTS waiver administration did not meet that MMIS standard, DHS has contracted with Wisconsin Physicians Service (WPS) to act as a TPA for these programs.

The following table shows the amounts that the administration projects would be transferred from counties to the state in each year of the biennium.

	2011-12	2012-13
CLTS Waiver Benefits (Locally-Funded Services)	$8,809,900	$10,311,800
CLTS Waiver TPA Administrative Costs (Locally-Funded Services)	31,100	65,500
Birth-to-3 Waiver Benefits	2,080,800	2,080,800
Birth-to-3 Waiver TPA Administrative Costs	315,200	315,200
Total	$11,237,000	$12,773,300

[Bill Sections: 658, 1271, and 1313 thru 1316]

14. WISCONSIN QUALITY HOME CARE AUTHORITY

GPR	- $550,000
FED	- 450,000
Total	- $1,000,000

Governor: Reduce funding by $275,000 GPR and $225,000 FED annually to eliminate base funding for the Wisconsin Quality Home Care Authority (WQHCA). 2011 Wisconsin Act 10 repealed all statutory provisions relating to the WQHCA and required the transfer of all of the Authority's assets, liabilities, personal property (including records), and contracts to DHS. The act directed DHS to carry out any obligations under such contracts until the contract is modified or rescinded by DHS to the extent allowed under the contract.

This item would delete all base funding that would be available to support WCHCA or its precursor organization, the Dane County Quality Home Care Commission, beginning in 2011-12.

15. CREATE PROGRAM REVENUE APPROPRIATION FOR REBATES AND OTHER COLLECTIONS RELATED TO THE MA PROGRAM

Governor: Create a program revenue appropriation in DHS to receive provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to benefit expenditures under the medical assistance (MA) program, regardless of the fiscal year in which the original benefit expenditure was made. Require that the program revenues received into the new appropriation be used to support a portion of the state share of the benefits provided under the MA, BadgerCare Plus, Family Care, and other related programs, and include references to the new appropriation in current provisions relating to funding for these programs. Modify provisions relating to the refund of expenditures to allow DHS to receive these program revenues into the new appropriation, and to use these program revenues to support program benefits, regardless of the fiscal year in which the original benefit expenditure was made.

Under current state law, any amount not otherwise appropriated that is received by an agency as a result of an adjustment made to a previously recorded expenditure from a sum certain appropriation to that agency due to activities that are of a temporary nature or activities that could not be anticipated during budget development and which serves to reduce or eliminate the previously recorded expenditure in the same fiscal year in which the previously recorded expenditure was made may, upon the request of the Secretary of the Department of Administration, be designated as a refund of an expenditure. Current law further provides that revenue received by an agency incidentally in connection with GPR appropriations in the course of accomplishing program objectives that is not designated as a refund of an expenditure by the DOA Secretary, and for which no program revenue appropriation is made, must be designated as GPR-Earned and must be treated as a non-appropriated receipt that is not available to the agency for expenditure.

The DHS practice has been to credit various sources of program revenue against the state share of the benefit expenditures made under the MA and MA-related programs, regardless of when DHS made the benefit expenditure to which the program revenue relates. For example, a major source of program revenue for the MA program is the rebates the state receives from drug manufacturers that supply prescription drugs to program recipients. The current DHS budgeting practice is to estimate the amount of those rebates and other collections that will be received during the state fiscal biennium, and to build those revenue estimates into its GPR funding request for the biennium. The Department then credits those rebates and other collections as they are received against the GPR appropriations that support those program benefits, regardless of the year in which the state expenditure that generated the rebate or collection was made. This practice is technically in violation of the current statutory provisions related to refunds received for previously recorded expenditures not made in the same fiscal year as the refund was received.

The statutory changes proposed in the bill would allow DHS to receive all such refunds into a new program revenue appropriation, and to use those program revenue to support MA benefit costs, regardless of whether the program revenue relates to an expenditure made during that same fiscal year.

[Bill Sections: 366, 644, 1293 thru 1298, 1304, 1305, 1427, 1429, 1432, 1434 thru 1436, 1439, 1443, 1445, 1463, 1464, 1470, and 2189]

16. STATE MATCH FOR COMMUNITY RECOVERY SERVICES

Governor: Permit counties to use GPR funding DHS currently distributes for several community-based support services (community support services, community-based psychosocial services, and mental health crisis intervention services) to also fund the required state match for MA-eligible community recovery services. Base GPR funding for community-based support services is $4,175,000 GPR annually. The bill would provide a total of $3,757,500 GPR annually for community-based support services programs, including community recovery services, to reflect the Governor's recommendations to reduce most GPR appropriations by 10% (-$417,500) annually. This funding reduction is summarized under a separate item.

Community recovery services are home- and community-based services provided to certain MA recipients with mental illnesses. Each county may choose whether or not to provide these services. If a county chooses to offer community recovery services to MA recipients in the county, the county is required to provide the state match, but receives federal MA matching funds to partially support these services.

[Bill Section: 654]

17. CERTIFICATION AND REGULATION OF ONE- AND TWO-BED ADULT FAMILY HOMES

Governor: Delete all statutory provisions enacted as part of 2009 Act 28 relating to the certification and regulation of one- to two-bed adult family homes (AFHs), including the requirement that DHS do the following: (a) certify one- to two-bed AFHs in accordance with standards established by the Department; (b) investigate violations of the standards; (c) revoke the certification of a one- to two- bed AFH violating the standards; and (d) charge a fee for certification.

Under current law, a one- to two-bed AFH is defined as a place in which the operator provides care, treatment, support, or services above the level of room and board to up to two adults. After the date on which the Family Care benefit becomes available in a county, no person may operate a one- to two-bed AFH in the county, unless the home is certified by DHS, if the home provides services to: (a) supplemental security income (SSI) recipients; (b) Family Care enrollees; or (c) individuals who receive long-term care services under any of the state's medical assistance waiver programs. DHS is required to certify these homes in accordance with standards established by the Department. A home's certification is valid until it is revoked by DHS. DHS is authorized to investigate complaints that an AFH violated a standard of certification and revoke certification in cases where these standards have been violated. One- to two-bed AFHs are exempt from several provisions that apply to other AFHs, such as services to residents provided by the Board on Aging and Long-term Care and city planning requirements.

DHS has not implemented the certification system authorized in Act 28, but instead has developed an alternative process for ensuring quality in one- and two-bed AFHs, which it could implement through its contracts with managed care organizations (MCOs) and counties, and would not require additional legislation. Under this alternative process:

- Each Family Care MCO would be responsible for initial and ongoing certification of one- and two-bed AFHs that serve its members. MCOs would be responsible for provider network development;

- In Family Care counties, counties would be responsible for certifying one to two-bed AFHs that serve county-funded clients and homes serving SSI recipients;

- In non-Family Care counties, counties would be responsible for certifying one- to two- bed AFHs serving individuals enrolled in the medical assistance (MA) home-and community-based long-term care waiver programs;

- DHS would be responsible for certifying one- to two-bed AFHs used by individuals enrolled in the I Respect, I Self-Direct (IRIS) program;

- As under current practice, there would be no required certification for one- to two-bed AFHs that serve only private pay clients;

- Counties and MCOs could initiate memorandums of understanding to establish which party would be responsible for certifying AFHs serving clients funded by both parties;

- If one certifying agency certifies an AFH, other certifying agencies could use the AFH for its own participants without undertaking another certification; and

- All certifying agencies would use the Department's MA waiver standards as the basis for certification to ensure consistency and quality.

The bill would not affect current provisions relating to AFHs that serve three or more residents.

[Bill Sections: 189, 656, 1299, 1302, 1303, 1647, 1652, 1682, 1692, 1714, and 3463]

18. UPDATE RESOURCE UTILIZATION GROUPING TERMINOLOGY

Governor: Modify a provision that currently requires DHS to incorporate acuity measurements under the most recent "resource utilization groupings (RUGs) III" methodology to determine factors for case-mix adjustments, for the purpose of determining medical assistance (MA) payments to nursing homes as follows. First, substitute the current reference to "resource utilization groupings III" with "resource utilization groupings." Second, permit, rather than require, the system to incorporate acuity measurements under the most recent RUGs.

In October 2010, the Centers for Medicare and Medicaid Services, which develops the RUGs, released RUGs IV. This item would permit DHS to decide whether to incorporate the most recent RUGs methodology in setting MA nursing home rates.

[Bill Sections: 1428 and 1430]

MA Administration and FoodShare

1. CENTRALIZE ADMINISTRATION OF INCOME MAINTENANCE PROGRAMS

	Funding	Positions
GPR	- $8,417,800	68.76
FED	23,132,000	63.74
PR	- 100,400	- 1.00
Total	$14,613,800	131.50

Governor: Increase funding by $22,241,900 ($10,242,800 GPR, $12,049,300 FED, and -$50,200 PR) in 2011-12 and reduce funding by $7,628,100 (-$18,660,600 GPR, $11,082,700 FED, and -$50,200 PR) in 2012-13, and provide 131.50 positions (68.76 GPR positions, 63.74 FED positions, and -1.00 PR position), beginning in 2011-12, to reflect the net fiscal effect of the Governor's proposal to centralize the administration of the state's income maintenance programs. A summary of these changes is presented in the table below.

Summary of Income Maintenance Centralization Proposal

	2011-12			
	GPR	FED	PR	Total
Centralized IM Services				
State Staff	$6,088,500	$504,000	-$50,200	$6,542,300
Contracted Services	13,343,400	20,734,400	0	34,077,800
Subtotal	$19,431,900	$21,238,400	-$50,200	$40,620,100
Funding Currently Available to Counties				
Income Maintenance Allocations	-$9,189,100	-$9,189,100	$0	-$18,378,200
Community Aids	0	0	0	0
Subtotal	-$9,189,100	-$9,189,100	$0	-$18,378,200
Net Cost/Savings of Proposal	$10,242,800	$12,049,300	-$50,200	$22,241,900
Change in State Positions	68.76	63.74	-1.00	131.50

	2012-13			
	GPR	FED	PR	Total
Centralized IM Services				
State Staff	$7,132,500	$7,205,800	-$50,200	$14,288,100
Contracted Services	31,197,000	35,083,100	0	66,280,100
Subtotal	$38,329,500	$42,288,900	-$50,200	$80,568,200
Funding Currently Available to Counties				
Income Maintenance Allocations	-$31,206,200	-$31,206,200	$0	-$62,412,400
Community Aids	-25,783,900	0	0	-25,783,900
Subtotal	-$56,990,100	-$31,206,200	$0	-$88,196,300
Net Cost/Savings of Proposal	-$18,660,600	$11,082,700	-$50,200	-$7,628,100
Change in State Positions	68.76	63.74	-1.00	131.50

Under current law, DHS enters into contracts with counties and tribal governing bodies to perform administrative duties associated with the income maintenance programs. For these purposes, "income maintenance programs" are defined to include the medical assistance (MA) program, the FoodShare program, and the Wisconsin funeral and cemetery aids program. Under those contracts, counties and tribes process applications, determine eligibility and payment levels, periodically make eligibility redeterminations, conduct fraud prevention activities, and maintain case files with respect to income maintenance programs. DHS provides state funding to the counties and tribes to perform those duties. Counties can also contribute their own funds toward those costs, and virtually all counties do.

There are several exceptions to the framework outlined above. First, DHS operates an enrollment services center in Madison that performs income maintenance-type administrative duties for the BadgerCare Plus Core Plan and for FoodShare recipients throughout the state who do not have dependent children. Second, 2009 Act 28 authorized DHS to assume administrative control of the income maintenance programs in Milwaukee County through a unit within DHS called the Milwaukee County enrollment services unit. Act 28 required Milwaukee County to contribute $2.7 million of its own funds toward the cost of the Milwaukee County enrollment services unit in 2009 and each year thereafter (adjusted for changes in the annual wage and benefit costs paid with respect to county employees performing services for that unit), with the state paying the balance of the non-federal share of the unit's costs.

The bill would centralize the administration of income maintenance programs throughout the state within a new unit in DHS called the income maintenance administration unit ("unit"). Under the bill, the creation of the unit and the transition of administrative duties from the counties to the unit would proceed as follows.

Creation of the Income Maintenance Administration Unit. Require DHS to establish the unit to administer income maintenance programs in the state. Define administration of income maintenance programs to include receiving applications, determining eligibility, conducting fraud investigation and fraud prevention activities, implementing error reduction procedures, and recovering overpayment of benefits. Authorize DHS to contract with a public or private entity to provide these administrative services. Exempt that contract from provisions in Chapter 16 of the statutes relating to the purchasing of contractual services. Define the term "income maintenance worker" to mean a person employed by, or under a contract with, DHS or a tribal governing body whose duties include determining eligibility for income maintenance programs. Require DHS to begin to transition administration of the income maintenance programs from counties to the unit, and to develop a transition plan that includes a deadline by which each county must transfer to DHS all records in the county's possession related to administration of the income maintenance programs.

Elimination of the Milwaukee County Enrollment Services Unit. With respect to the Milwaukee County enrollment services unit created under Act 28, require DHS to determine when the new income maintenance administration unit is prepared to take over income maintenance responsibilities in Milwaukee County. Require DHS to notify the Legislative Reference Bureau (LRB) of that date, and require LRB to publish a notice in the Wisconsin Administrative Register that specifies that date. Effective on the date specified in that notice, or

May 1, 2012, whichever is earlier, repeal statutory provisions that authorize DHS to establish, to operate, and to provide state funding to support the costs of the Milwaukee County enrollment services unit. In addition, delete other statutory provisions that refer to the Milwaukee County enrollment services unit.

Provide that in the calendar year in which the unit takes over administration of the income maintenance programs in Milwaukee County, Milwaukee County's contribution to the costs of the Milwaukee County enrollment services unit, as specified in Act 28, shall be prorated on the basis of the length of time the Milwaukee County enrollment services unit administers those programs.

Provide that former Milwaukee County employees appointed to state positions in the Milwaukee County enrollment services unit, effective on the date specified in the LRB notice or May 1, 2012, whichever is earlier, shall be removed as eligible employees qualifying for state employee health insurance coverage. The bill would also make technical amendments to the statutes to reflect the elimination of the Milwaukee County enrollment services unit in the following areas: (a) sick leave calculation for income continuation insurance benefits; (b) the unclassified status of employees in the county's civil service system; (c) a collective bargaining provision allowing hours and conditions of employment to be subject to a memorandum of understanding; and (d) the right to appeal certain employment decisions by DHS.

Transfer Administration of Income Maintenance Programs from Counties to DHS. With respect to all other counties that are administering income maintenance programs on the bill's effective date, the bill provides the following. First, repeal statutory language that currently authorizes DHS to annually enter into contracts with counties for reimbursement of the county's reasonable costs for administering income maintenance programs.

Second, and notwithstanding the repeal of the statutory provision identified in the preceding paragraph, authorize DHS, before May 1, 2012, to delegate some or all of the administrative functions related to income maintenance programs to counties on a county-by-county basis. Provide that if DHS delegates such functions to a county before May 1, 2012, the county shall continue to perform those functions until DHS notifies the county that the unit is prepared to assume responsibility for those activities. Require DHS and any county to which it delegates functions under these provisions to enter into a contract relating to those functions and reimbursement for the reasonable costs of performing those activities. Specify that such reimbursements provided to counties shall be considered costs incurred by the unit to administer income maintenance programs.

Third, modify the appropriation from which DHS currently funds the state share of costs to administer income maintenance programs (the IM appropriation) as follows: (a) on the bill's general effective date, delete provisions in the IM appropriation that authorize DHS to expend funds to support the state share of income maintenance administration costs, except for costs related to administration of the food stamp employment and training (FSET) program; (b) also on the bill's general effective date, delete from the IM appropriation the Department's authority to pay expenses under the Wisconsin funeral and cemetery aids program, as the bill creates a new appropriation in DHS to fund those expenses, beginning in 2011-12; and (c) effective

January 1, 2013, repeal the IM appropriation. Under a separate item, the bill would create a new appropriation in the Department of Children and Families (DCF) for administrative costs for the FSET program, effective January 1, 2013.

Fourth, modify an existing appropriation from which DHS currently funds other MA-related administrative costs (the MA administrative contracts appropriation) as follows: (a) on the bill's general effective date, authorize DHS to provide state funding from the MA administrative contracts appropriation to support administration of the income maintenance programs, including payments to tribes that administer those programs, counties to which DHS delegates those administrative duties (consistent with the provisions summarized above), and for the Milwaukee County enrollment services unit's administration of income maintenance programs: (b) effective on the date of the LRB notice, or May 1, 2012, whichever is earlier, repeal the Department's authority to expend funds from the MA administrative contracts appropriation to support costs at the Milwaukee County enrollment services unit; and (c) effective May 1, 2012, repeal the Department's authority to provide state funding from the MA administrative contracts appropriation to counties for administration of income maintenance programs.

Fifth, repeal a number of other statutory provisions that currently authorize counties to administer income maintenance programs and which refer to counties' administration of those programs.

Administration of Income Maintenance Programs by Tribal Governing Bodies. Under current law, DHS is authorized to contract with tribal governing body to administer the tribe's income maintenance programs. Under the bill, tribal governing bodies could elect to have the unit administer the tribe's income maintenance programs, or to administer those programs themselves, in which case DHS and the tribe could enter into a contract for the reasonable cost of administering those services. Authorize DHS to provide state funding from the MA administrative contracts appropriation to those tribes which elect to administer their own income maintenance programs.

Community Aids Funding Reduction. In each fiscal year beginning in fiscal year 2012-13, require DHS to decrease each county's basic county allocation under the community aids program by the amount DHS determines the county expended in calendar year 2009 to provide income maintenance programs ($25,783,900). DHS indicates that the all funds amount available for the community aids calendar year contracts would equal approximately $193.3 million in calendar year 2011, $174.0 million in calendar year 2012, and $167.5 million in calendar year 2013.

Transfer Administration of the FoodShare Program to the Department of Children and Families. Under current law, DHS is responsible for administering the state's FoodShare program, and as with the other income maintenance programs, DHS delegates the administration of the FoodShare program to the counties and tribes. Effective January 1, 2013, the bill would delete the FoodShare program from the statutory definition of "income maintenance programs" and transfer administration of the FoodShare program from DHS to the Department of Children and Families (DCF). This transfer of authority is summarized in the item "FoodShare Transfer to the Department of Children and Families."

[Bill Sections: 636 thru 640, 645, 646, 648, 1139, 1156, 1162, 1277, 1278, 1284, 1286, 1292, 1308, 1401, 1423 thru 1426, 1438, 1442, 1454, 1457, 1460, 1465 thru 1469, 1471 thru 1477, 1486 thru 1492, 1498 thru 1504, 1506 thru 1512, 1521, 1523, 1525, 1527, 1540, 1551, 1554, 1555, 1563, 1565, 1589, 1604, 1606, 1607, 1621, 1622, 1641, 1643, 1651, 1716, 2406, 2407, 2767, 9121(6)&(7), and 9421(1) thru (3)]

2. MA AND FOODSHARE ADMINISTRATION -- CONTRACTED SERVICES BASED ON CURRENT PROGRAMS

GPR	$30,718,500
FED	70,478,500
Total	$101,197,000

Governor: Provide $52,926,900 ($15,393,500 GPR and $37,533,400 FED) in 2011-12 and $48,270,100 ($15,325,000 GPR and $32,945,100 FED) in 2012-13 to increase funding for contracted services relating to the administration of the medical assistance (MA), BadgerCare Plus, and FoodShare programs. This item reflects the administration's estimates of additional funding that will be needed to support these programs without program changes DHS expects to make in the 2011-13 biennium. Base funding for these contracts is $78,229,900 ($32,175,900 GPR and $46,054,000 FED).

DHS has a range of responsibilities relating to its administration of the MA, BadgerCare Plus, and FoodShare programs. The Department contracts with other entities, public and private, to perform some administrative activities. Funding for these contracts is budgeted in an appropriation separate from the appropriation that funds the Division of Health Care Access and Accountability general program operations.

DHS contracts with a fiscal agent to provide administrative services, including the processing of claims, member and provider enrollment, reviewing prior authorization requests, pharmacy-related services, customer services, federal and state reporting, program integrity requirements, and developing and supporting information systems. The state's current fiscal agent is HP Enterprise Services (formerly EDS). Under its base fiscal agent contract, the state pays HP a flat fee to provide those services. DHS also pays HP for services provided in addition to those covered under the base contract, such as modifications to the Medicaid Management Information System (MMIS).

In addition, HP performs functions in connection with the Enrollment Services Center (ESC). The ESC, originally developed as part of the BadgerCare Plus Core Plan expansion in 2009, currently performs all applications and income maintenance activities for the FoodShare, BadgerCare Plus Core, and BadgerCare Plus Basic programs for those adults without dependent children.

DHS also contracts for the operation of the client assistance for reemployment and economic support (CARES) system, which assists state and county staff in making eligibility determinations and maintaining case information for such programs as BadgerCare Plus, SeniorCare, Family Care, FoodShare, the SSI Caretaker Supplement, TANF/W-2, and Child Care Assistance. CARES is a mainframe system and most CARES-related costs in this item pertain to the programming, analysis, and maintenance tasks performed by Deloitte and the mainframe hosting and data storage charges paid to the Department of Administration's Division of Enterprise Technology (DET).

Finally, DHS funds a number of smaller administrative contracts, including contracts related to actuarial services, consulting services, as well as costs related to administrative hearings conducted by the Department of Administration's Division of Hearings and Appeals, and costs related to the FoodShare program's electronic benefit transfer (EBT) system.

The following table shows the amounts that would be budgeted for MA and FoodShare administrative contracts under this item for fiscal years 2011-12 and 2012-13, by funding source. Other items in the bill, such as the Governor's proposal to centralize income maintenance functions, would also affect funding for these administrative contracts in the 2011-13 biennium.

Funding Budgeted for Contracted Services -- Current Programs
Governor's Recommendations

	2011-12		2012-13	
	GPR/PR	FED	GPR/PR	FED
Fiscal Agent Services	$14,631,700	$37,709,600	$14,204,300	$32,674,000
Enrollment Services Center	$14,848,200	$14,848,200	$14,809,500	$14,809,500
CARES				
Deloitte	$6,465,000	$6,709,900	$6,475,300	$6,711,500
DET	13,702,600	14,221,200	13,836,400	14,341,200
Other	494,200	384,300	474,700	403,500
Federal Early Innovators Grant	-4,000,000	4,000,000	-4,000,000	4,000,000
CARES Total	$16,661,800	$25,315,400	$16,786,400	$25,456,200
FoodShare EBT Contract	$1,756,600	$1,756,600	$1,938,700	$1,938,700
Other	$4,922,800	$6,206,600	$5,012,200	$6,369,700
Total Estimated Funding Need	**$52,821,100**	**$85,836,400**	**$52,751,100**	**$81,248,100**
Current Funding Sources				
Base Funding (GPR)	$ 32,175,900	$46,054,000	$32,175,900	$46,054,000
Transfer from Hosp. Assessment Fund (PR)	1,000,000	1,000,000	1,000,000	1,000,000
SeniorCare Enrollment Fees (PR)	1,249,000	1,249,000	1,249,000	1,249,000
Core Plan Enrollment Fees (PR)	3,002,700	0	3,001,200	0
Total Current Funding Sources	**$37,427,600**	**$48,303,000**	**$37,426,100**	**$48,303,000**
Difference (GPR Funding Increase in Bill)	**$15,393,500**	**$37,533,400**	**$15,325,000**	**$32,945,100**

3. CONTRACTED ADMINISTRATIVE SERVICES TO IMPLEMENT MA PROGRAM CHANGES

GPR	$3,733,500
FED	4,437,400
Total	$8,170,900

Governor: Provide $4,786,300 ($2,041,200 GPR and $2,745,100 FED) in 2011-12 and $3,384,600 ($1,692,300 GPR and $1,692,300 FED) in 2012-13 to fund additional costs of contracted services that would be needed to implement changes to MA and its related programs in the 2011-13 biennium. Contracted administrative services currently include services provided by the state's fiscal agent, programming and maintenance services for the client assistance for re-employment and economic support (CARES) system, and actuarial and consulting services.

The Governor's bill includes several specific items that would make changes to these programs, such as requiring SeniorCare participants to apply for and enroll in Medicare Part D, which would require additional contracted services for DHS to implement. In addition, the bill would reduce funding for MA benefits costs to reflect savings the administration believes it will achieve through a number of program changes to MA. The funding provided in this item would be used to support the additional contracted administrative services the administration estimates will be required to implement those program changes.

4. FUNERAL AND CEMETERY AIDS PROGRAM

GPR	$7,940,800

Governor: Provide $3,897,000 in 2011-12 and $4,043,800 in 2012-13 to fund projected increases in the cost of payments under the Wisconsin funeral and cemetery aids program (WFCAP). In addition, transfer base funding for the program ($4,550,200) from an appropriation that currently supports several income maintenance-related activities to a new biennial appropriation that would exclusively support WFCAP. The bill would provide a total of $8,447,200 in 2011-12 and $8,594,000 in 2012-13 for the program.

Under current law, DHS is required to reimburse counties and tribal governing bodies for the funeral, burial, and cemetery costs they are required to pay on behalf of certain low-income individuals who at the time of their death were participants in such programs as medical assistance (MA), Wisconsin Works (W-2), and supplemental security income (SSI). Reimbursement for cemetery expenses is limited to the lesser of $1,000 or the cemetery expenses not paid by the decedent's estate or by other persons, and is only available if the decedent's total cemetery costs do not exceed $3,500. Reimbursement for funeral and burial expenses is limited to the lesser of $1,500 or the funeral and burial expenses not paid by the decedent's estate or by other persons, whichever is less, and is only available if the decedent's total funeral and burial expenses do not exceed $4,500.

Under a separate item, the Governor recommends centralizing the administration of income maintenance activities, including WFCAP, within a new income maintenance administration unit.

[Bill Sections: 640 and 642]

5. ELIMINATE FOODSHARE BENEFITS FOR QUALIFIED LEGAL IMMIGRANTS

GPR	- $760,000

Governor: Prohibit DHS from providing FoodShare benefits to "qualified aliens," except to the extent that federal supplemental nutrition assistance program (SNAP) benefits are required by the federal government. This provision would eliminate the state-option FoodShare program (SOFSP) that provides GPR-funded FoodShare benefits to certain legal immigrants who do not meet citizenship standards for federally-funded benefits. The bill would reduce funding by $380,000 annually to reflect the elimination of this program.

Under current law, DHS provides SOFSP benefits to certain legal immigrants who do not qualify for federal SNAP benefits based on immigration status, but meet all other eligibility requirements. In general, SOFSP provides benefits to non-disabled adults who have lived in the United States for less than five years. Legal immigrants who are under the age of 18, are disabled, or have lived in the United States for at least five years, qualify for federal SNAP benefits. In calendar year 2010, an average of 1,682 individuals per month received SOFSP benefits.

Although the bill would reduce funding by $380,000 annually (the amount that DHS had budgeted for the SOFSP in 2010-11), actual payments made under this program exceed that amount. In calendar year 2010, SOFSP benefits totaled approximately $1.6 million. DHS currently funds costs for these benefits that exceed budgeted funds by reallocating other funding budgeted in the income maintenance appropriation, thereby reducing the amount available for other activities such as income maintenance contracts with counties.

[Bill Sections: 1534, 1535, and 9421(4)]

6. TRANSFER FOODSHARE TO DEPARTMENT OF CHILDREN AND FAMILIES

Governor: Transfer the administration of the FoodShare program from DHS to the Department of Children and Families (DCF), effective January 1, 2013. FoodShare is the name of Wisconsin's federal supplemental nutrition assistance program (SNAP).

Administration of FoodShare. Require DCF to administer the FoodShare program beginning January 1, 2013, so that on and after that date, DCF would receive applications, determine eligibility, conduct fraud investigation and prevention activities, implement error reduction procedures, and recover overpayments of benefits. Require DCF to periodically match records of FoodShare recipients to verify individual eligibility. Authorize DCF to enter into contracts for the administration of the program.

Replace current references to DHS with references to DCF with respect to the administration of the program, and renumber current provisions relating to the program. Delete FoodShare from the definition of an "income maintenance program" administered by DHS.

Repeal DHS appropriations that relate solely to FoodShare administration and benefits, and delete references to FoodShare in other DHS appropriations that provide administrative funding. Create new GPR and FED appropriations in DCF for the administration of FoodShare, and include FoodShare under the DCF appropriations for fraud investigation and error recovery, and electronic transfer of federal benefits.

DOA Secretary Transfer Authority. Transfer from DHS to DCF classified positions and incumbents holding positions that the DOA Secretary determines are primarily related to FoodShare. Allow the DOA Secretary, upon determination of these employees, to transfer moneys between any GPR, PR, FED, or SEG appropriation in DHS to such an appropriation in DCF to adjust for costs in accordance with the transfer of personnel and administrative functions. Specify that employees transferred to DCF under these provisions would have the same rights and status under state employment relations statutes that they had prior to the transfer, and that no transferred employee who had attained permanent status would serve a probationary period.

Transfer from DHS to DCF all tangible personal property, contracts in effect, and pending matters that the DOA Secretary determines are primarily related FoodShare. Require DCF to carry out any contractual obligation unless modified or rescinded to the extent allowed under the contract. Specify that all materials submitted to, or actions taken by DHS with respect to a pending matter would be considered as having been submitted to or taken by DCF. Provide that all rules promulgated or orders issued by DHS in effect on January 1, 2013, that the DOA Secretary determines are primarily related FoodShare, would remain in effect until their specified expiration dates or until amended, repealed, modified, or rescinded by DCF.

References and Obsolete Language. Replace current references to the "food stamp program" with references to the "supplemental nutrition assistance program" to reflect the recent renaming of the program in federal law. Replace references to "food stamp coupons" with "supplemental nutrition program benefits," and delete a statutory provision that relates to liability for food stamp coupons lost in natural disasters, to reflect that program participants currently receive benefits through an electronic benefit transfer system, rather than as paper coupons. Repeal statutes that affect the conditions under which DHS may establish an electronic benefit transfer system for the FoodShare program, to reflect that DHS has already established such a system.

Although DHS would administer FoodShare until January 1, 2013, the bill contains other provisions that would affect how DHS would administer the program until that date, including provisions that would centralize income maintenance programs and eliminate FoodShare benefits for qualified legal immigrants.

[Bill Sections: 211, 212, 639, 641, 647, 649 thru 651, 668, 671, 677, 678, 1279, 1301, 1339, 1343 thru 1345, 1377, 1384, 1387, 1404, 1407, 1409, 1411, 1412, 1416 thru 1419, 1421, 1485, 1513 thru 1520, 1522, 1524, 1526, 1528 thru 1533, 1535 thru 1539, 1541 thru 1550, 1552, 1553, 1556 thru 1562, 1564, 1566 thru 1588, 1590 thru 1603, 1605, 1609, 1611, 1613, 1615, 1617 thru 1620, 1623 thru 1627, 1645, 1802, 1939, 2051, 2130, 2131, 2162, 2390, 2450, 2866, 3487 thru 3490, 3559, 9121(8), 9321(2), and 9421(3)&(4)]

	Funding	Positions
PR	$524,800	3.00

7. TRANSFER CARES POSITIONS FROM DCF

Governor: Provide $262,400 annually to reflect the transfer of 3.0 positions from the Department of Children and Families (DCF), beginning in 2011-12. These positions conduct information technology (IT) security activities for the client assistance for reemployment and economic support system (CARES), the statewide automated eligibility system for a range of public assistance programs. Under this item, all IT security-related functions for all state programs that use CARES would be conducted by DHS staff. The bill includes a corresponding funding and position decrease for DCF.

SSI and Public Health

GPR	- $285,905,600
PR	- 56,040,800
Total	- $341,946,400

1. SUPPLEMENTAL SECURITY INCOME -- REESTIMATE AND PROGRAM TRANSFER

Governor: Reduce funding by $142,952,800 GPR and $28,020,400 PR annually to reflect: (a) the administration's estimates of funding that will be needed to support state-funded supplemental security income (SSI) program benefits; and (b) the transfer of the program to the Department of Children and Families (DCF), beginning in 2011-12.

Reestimate of State-Funded SSI Benefits. Provide $2,226,400 GPR in 2011-12 and $4,638,800 GPR in 2012-13 to fully fund estimated state supplemental SSI benefits in the 2011-13 biennium. Base funding for these payments is $142,093,300 GPR, which is budgeted in a sum sufficient appropriation. The bill would provide a total of $144,319,700 GPR in 2011-12 and $146,732,100 GPR in 2012-13 to fund these benefit payments.

In addition, provide $1,207,000 PR annually to fully fund the estimated costs of SSI caretaker supplement payments. Base temporary assistance for needy families (TANF) funding for the caretaker supplement is $28,354,900. The bill would provide a total of $29,561,900 annually to fund caretaker supplement payments.

Transfer Program. Reduce funding by $145,179,200 GPR and $29,277,400 PR in 2011-12 and by $147,591,600 GPR and $29,277,400 PR in 2012-13 to reflect the transfer of funding for SSI benefits and administrative costs to DCF. These amounts include deleting GPR funding in DHS for state supplement benefits that include the base funding amount and the reestimates described above (-$144,319,700 in 2011-12 and -$146,732,100 in 2012-13), and deleting $859,500 GPR annually that supports the costs of administering these programs. The bill increases GPR funding for DCF by corresponding amounts.

The total PR reduction in the bill would include two separate effects: (a) reduce TANF funds that DHS receives as PR by $29,561,900 annually to delete funding for caretaker supplement benefits and administration; and (b) increase PR by $334,500 annually to maintain funding for some SSI administrative contract costs, which DHS would bill to DCF. There is no corresponding increase in the DCF summary, as these TANF funds already appear in the DCF appropriations as FED.

Replace current references to DHS with references to DCF with respect to the administration of SSI, and renumber current provisions relating to the program. Repeal the DHS appropriation for SSI benefits, and delete references to SSI in other DHS appropriations that provide administrative funding. Create DCF appropriations for SSI benefits and administration.

The SSI program provides federal- and state-funded benefits to low-income individuals who are elderly, blind, or disabled. In January, 2011, approximately 112,400 individuals received GPR-funded state supplemental payments, including the basic supplement ($83.78 per month for an individual) and the exceptional expense benefit ($95.99 per month for an individual). Recipients with dependent children may also receive a caretaker supplement, funded by federal TANF funds, which are currently transferred from DCF to DHS. These benefits equal $250 per month for one dependent child, and $150 per month for each additional child.

[Bill Sections: 210, 636, 643, 669, 679, 1274, 1280, 1285, 1300, 1331, 1332, 1338, 1347, 1397, 1402, 1403, 1406, 1408, 1410, 1420, 1422, 1450 thru 1453, 1458, 1461, 1462, 1482 thru 1484, 1505, 1607, 1608, 1610, 1612, 1614, 1616, 1642, 1644, 1646, 1651, 1655, and 3483]

2. DELETE STATE FAMILY PLANNING FUNDING

GPR	- $3,871,200

Governor: Repeal the GPR appropriation and funding that supports family planning services administered by the Division of Public Health (-$1,935,600 annually). In addition, repeal provisions that direct DHS to allocate amounts annually from this appropriation for specific family planning-related services. The bill would not modify other provisions relating to state's family planning program, including provisions that define "family planning services" and provisions that identify the Department's duties relating to the program.

In calendar year 2011, DHS allocated GPR funding for the program as follows: (a) $1,331,500 for family planning and reproductive health services provided by local public health departments and private organizations in 50 counties that received allocations consisting of these GPR funds and federal funds the state receives under the Maternal and Child Health block grant; (b) $337,700 to Health Care Education and Training, Inc. to provide training, technical assistance, and support services; and (c) $266,400 to the Wisconsin State Laboratory of Hygiene for laboratory cytology services and other technical assistance.

[Bill Sections: 635 and 2875]

3. BRIGHTER FUTURES

GPR	$1,730,000

Governor: Provide $865,000 annually and make statutory changes to transfer not more than this amount annually from DHS to a new program revenue appropriation in the Department of Children and Families (DCF), to support the Brighter Futures initiative. The Brighter Futures initiative, which is currently administered by DCF, provides grants to public agencies and nonprofit corporations to reduce violence and other delinquent behavior, reduce alcohol and other drug use and abuse, and reduce child abuse and neglect. Base funding for the program is $1,729,900 GPR annually.

A corresponding item in DCF would reduce GPR funding for the program by $1,729,900 GPR (rather than $865,000, which was the administration's intent) and increase PR funding (the funding transferred from DHS) for the program by $865,000 annually. However, under the bill, total funding for the program would be reduced by $865,000 annually.

This provision would permit DHS to comply with matching requirements of the federal substance abuse prevention and treatment block grant (SAPTBG), which specify that SAPTBG matching funds must be budgeted directly in the agency that administers the grant. DHS currently counts 50% of total funding budgeted for the Brighter Futures program ($865,000) in meeting the SAPTBG match requirement, while DCF counts 50% of the Brighter Futures funding in meeting the state match requirements for the temporary assistance to needy families program. To meet the SAPTBG requirement, DCF and DHS currently have an arrangement under which 50% of the funding for the Brighter Futures program is transferred to DHS, and then transferred directly back to DCF. This item would eliminate the need for that arrangement.

[Bill Sections: 653, 661, 1309, 1310, and 1323]

4. WISCONSIN CHRONIC DISEASE PROGRAM

GPR	- $1,087,300

Governor: Reduce funding by of $775,700 in 2011-12 and $311,600 in 2012-13 for services under the Wisconsin chronic disease program (WCDP) to reflect: (a) a reestimate of projected program costs (-$25,700 in 2011-12 and $438,400 in 2012-13); and (b) a reduction in payment rates to health care providers for services to individuals with end stage renal disease (- $750,000 annually). The WCDP reimburses health care providers as a payer of last resort for services provided to people with chronic renal disease, adult cystic fibrosis, or hemophilia.

Repeal provisions that require payment for services for the treatment of chronic renal disease to equal the allowable charges under the federal Medicare program. Instead, specify that payments for these services be at a rate determined by DHS that does not exceed the allowable charges under the federal Medicare program. In addition, clarify that payment for these services is based on rates determined by DHS, not the cost of these services. Specify that these changes would first apply to services that are provided on the effective date of the bill. The Department indicates that it would establish rates for these services equal to 80% of the rates Medicare pays for these services.

Under a separate item ("Program Revenue Funding Adjustments"), the bill would increase funding budgeted for the program by $148,400 PR annually to reflect reestimates of drug manufacturer rebate revenue that will be available to support program costs. The following table shows the total funding that would be available to support WCDP services under the bill.

Chronic Disease Program Benefits Funding

	Base	2011-12	2012-13
GPR	$5,817,200	$5,041,500	$5,505,600
PR	241,000	389,400	389,400
Total	$6,058,200	$5,430,900	$5,895,000

[Bill Sections: 1478, 1479, and 9321(1)]

5. FEES FOR CONGENITAL DISORDER TESTS

Governor: Repeal the authority of the State Laboratory of Hygiene Board, on behalf of DHS, to impose fees for tests for congenital disorders. Instead, require DHS to impose fees, by rule, for these tests. Require DHS to set these fees by emergency rule before the effective date of permanent rules. Exempt DHS from the requirements that the agency provide evidence that promulgating the rule as an emergency rule is necessary for the preservation of the public peace, health safety or welfare, and that the agency provide a finding of emergency.

Specify that these provisions would take effect on the first day of the fourth month after publication of the bill, and would first apply to newborn screenings that are submitted to the State Laboratory of Hygiene on that date.

All children born in Wisconsin hospitals must receive a newborn screening prior to leaving the hospital, and all children born at home must receive a screening within one week of birth. DHS rules specify the conditions included in the screening. State law requires that the fees be sufficient to fund diagnostic and counseling services, special dietary treatment, periodic evaluation of infant screening programs, and the costs of administering the newborn hearing screening and congenital disorder programs. The current fee established by the Board is $109.

[Bill Sections: 2877, 9121(9), 9321(3), and 9421(5)]

6. FEES FOR PATIENT HEALTH CARE RECORDS

Governor: Modify provisions relating to patient health care records to reverse most of the changes that were enacted as part of 2009 Act 28.

Access to Records. Delete a provision that requires a health care provider to make records available for inspection by a patient, or a person authorized by the patient, during regular business hours and without charging a fee, after the health care provider receives notice from the patient or authorized person. Repeal provisions that require a health care provider to do the following: (a) upon request of the person requesting copies, provide the copies in a digital or electronic format unless the record system cannot create or transmit records in a digital or electronic format; and (b) if the copies cannot be provided in an electronic format, provide a written explanation of why the copies cannot be provided in a digital or electronic format.

Instead, permit any patient or person authorized by the patient, upon submitting a statement of informed consent, to do the following: (a) inspect records of a health care provider pertaining to that patient at any time during regular business hours, upon reasonable notice; (b) receive a copy of the records upon payment of fees established by the department; and (c) receive a copy of X-ray reports, or have the X-rays referred to another health care provider of the patient's choice.

Repeal of Current Statutory Fees. Repeal statutory fees relating to patient health care records. Currently, a health care provider may not charge more than the total of all the following fees that apply to a request for records by a patient or a person authorized by the patient: (a) for paper copies, 35 cents per page; (b) for microfiche or microfilm copies, $1.25 a page; (c) for a print of an X-ray, $10 per image; (d) for providing electronic or digital copies, a charge for all copies requested; (e) actual shipping costs; and (f) if the patient or person authorized by the patient requests delivery of records within seven days after making the request, and the provider delivers the records within that time, a fee equal to 10% of the total of all other fees.

Repeal statutory fees charged for records requested by a person other than the patient or a person authorized by the patient. The same fees apply to these requests as apply to requests made by a patient, with the addition of the following: (a) for certification of copies, $5; (b) for processing and handling, a single $15 charge for all copies requested. Repeal a provision specifying that if DHS requests copies of health care records for determining eligibility for social security disability insurance or supplemental security income, a health care provider cannot charge DHS more than the amount the Social Security Administration reimburses for copies of health care records.

Determination of Fees in Rule. Require DHS to set fees for patient health care records that are based on an approximation of actual costs. These fees, plus any applicable tax, would be the maximum amount a health care provider could charge for duplicate health care records, duplicate X-ray reports, or the referral of X-rays to another health care provider of the patient's choice. In determining the approximation of actual costs for the purposes of setting these fees, DHS would be able to consider all of the following factors: (a) operating expenses, such as wages, rent, utilities, and duplication equipment and supplies; (b) the varying cost of retrieval of records, based on the different media on which the records are maintained; (c) the cost of separating requested records from those that are not requested; (d) the cost of duplicating requested records; and (e) the impact on costs of advances in technology.

The bill would also specify that the fees set by DHS apply to statutes related to when patient health care records may be subject to subpoena.

Require DHS to set the fees by emergency rule prior to enactment of permanent rules. Exempt DHS from the statutory requirement to submit evidence that these emergency rules are necessary for the preservation of the public peace, health safety or welfare, and the requirement that DHS provide a finding of an emergency to promulgate this emergency rule.

Require DHS to revise the rules by July 1, 2014, and every three years thereafter, to account for increases or decreases in actual costs.

Provision of Records to a Patient's Health Care Provider. Under current law, a patient's health care records must be provided to a patient's health care provider upon request and with a statement of informed consent. The bill would maintain this provision, but specify that the health care provider may be charged reasonable costs for the provision of these records.

Effective Date. The requirement that DHS establish fees by rule would take effect on the first day of the fourth month beginning after publication of the enacted bill, and would first apply to requests to inspect or receive copies of records that are made on that effective date.

[Bill Sections: 2649 thru 2664, 3509, 3510, 9121(10), 9321(4), and 9421(6)]

7. MULTI-COUNTY DEPARTMENTS

Governor: Make several statutory changes relating to the establishment of multi-county human services, social services, and health departments as follows.

Human Services Departments. Permit the board of supervisors in a county with a population of 500,000 or more (currently, Milwaukee County) to establish with one or more other counties a county department of human services on a multi-county basis, provided that such a department meets current requirements for that county's department of human services. Current law requires such a county to establish a department of human services for the operation, maintenance and improvement of human services in the county, but does not authorize the board to establish a human services department on a multi-county basis. In addition, delete current provisions that require multi-county departments of human services in counties with populations of fewer than 500,000 to be contiguous counties, and that such multi-county departments not include counties with a population of 500,000 or more.

Social Services Departments. Permit the board of supervisors in a county with a population of 500,000 or more (Milwaukee County) to combine with one or more other counties to establish a county department of social services on a multi-county basis, provided that such a department meets current requirements for that county's department of human services. Current law requires such a county to establish a department of social services for the administration of welfare services other than child welfare services, but does not authorize the board to establish a social services department on a multi-county basis. In addition, delete current provisions that require multi-county departments of social services in counties with a population of 500,000 or fewer to be contiguous counties, and that such multi-county departments not include counties with a population of 500,000 or more.

Departments of Disability Services and Community Programs. Delete current provisions that require multi-county departments of developmental disabilities services and multi-county departments of community programs to be among contiguous counties. These departments administer community mental health, developmental disabilities and alcoholism and drug abuse programs.

Health Departments. Permit more than two counties to establish a single multi-county health department. Current law permits a county to combine with only one other county to form a multi-county health department.

[Bill Sections: 1276, 1281, 1283, 1291, 1665, 1667, and 2871]

Care Facilities

1. MENTAL HEALTH INSTITUTES FUNDING SPLIT

	Funding	Positions
GPR	$22,155,400	116.53
PR	- 22,155,400	- 116.53
Total	$0	0.00

Governor: Provide $11,077,700 GPR and reduce funding by $11,077,700 PR annually, and convert 116.53 PR positions to GPR positions, beginning in 2011-12, to adjust funding at the mental health institutes (MHIs) to reflect a decrease in the percentage of patients whose care is funded from program revenue, rather than GPR.

The share of MHI costs funded by GPR and PR is based on the composition of the patient population. The state is responsible for the cost of caring for forensic patients, which it funds with GPR. The cost of caring for other patients is funded from program revenues paid by counties and third-party payers, including medical assistance (MA) for MA-eligible populations. The following table identifies the administration's estimates of the composition of the MHI patient population in the 2011-13 biennium.

Estimated Percentage of Patients, By MHI and Funding Source
2011-12 and 2012-13
Governor's Recommendation

	Billable (PR)	Nonbillable (GPR)
Winnebago Mental Health Institute		
Forensic	3%	97%
Civil -- Children	100	0
Civil -- Adults	68	32
Institutionwide	34%	66%
Mendota Mental Health Institute		
Forensic	4%	96%
Civil -- Children	100	0
Civil -- Adults	97	3
Mendota Juvenile Treatment Center	0	100
Institutionwide	14%	86%

2. TRANSFER SVPS FROM WRC TO SRSTC AND CLOSE WRC UNITS

	Funding	Positions
GPR	- $10,633,300	- 59.25

Governor: Reduce funding by $4,833,300 in 2011-12 and by $5,800,000 in 2012-13 and delete 59.25 positions, beginning in 2011-12, to reflect savings that would result by transferring sexually violent persons (SVPs) from three units at the Wisconsin Resource Center (WRC) in Oshkosh to vacant units at the Sand Ridge Secure Treatment Center (SRSTC) in Mauston.

2007 Act 20 authorized funding and positions to staff four SVP treatment units at SRSTC. These four units have remained vacant due to slower than projected growth in the SVP population during the past several years. Three SVP units at WRC are currently serving 87 SVPs. DHS intends to consolidate the SVP treatment program by transitioning the SVPs at WRC into the four SVP units at SRSTC. The three SVP units at WRC would remain vacant and unstaffed.

3. FUEL AND UTILITIES

GPR	$2,570,800

Governor: Provide $1,169,300 in 2011-12 and $1,401,500 in 2012-13 to fund projected increases in the cost of fuel and utility services at DHS facilities.

4. WISCONSIN RESOURCE CENTER – FEMALE TREATMENT UNIT

GPR	$1,901,400

Governor: Provide $1,051,500 in 2011-12 and $849,900 in 2012-13 to fully fund supplies and services, overtime, and one-time costs associated with the opening of a 45-bed female patient treatment unit at the Wisconsin Resource Center (WRC).

2009 Act 28 provided DHS $2,110,700 and 113.0 positions, beginning in 2010-11, to operate the female unit under the assumption that the unit would open in June, 2011. The female unit is now scheduled to open in September, 2011. The remaining $182,100 authorized for 2010-11 will be used to hire 6.50 positions for program planning at the female unit. The annualized salary and fringe benefits costs associated with the other 106.50 positions authorized in Act 28 would be fully funded as part of a standard budget adjustment.

This item would provide funding to support the following costs, based on the assumption that the unit would open in September, 2011: (a) supplies and services ($327,900 in 2011-12 and $347,800 in 2012-13); (b) internal services ($211,100 in 2011-12 and $223,000 in 2012-13); (c) overtime salary ($152,700 in 2011-12 and $186,400 in 2012-13); (d) one-time operating and vehicle purchases ($274,000 in 2011-12); (e) overtime fringe benefits ($31,200 in 2011-12 and $38,100 in 2012-13); (f) repair and maintenance; ($25,600 annually); and (g) fuel and utilities ($29,000 annually).

5. SUPPLIES AND SERVICES FOR RESIDENTS AT DHS FACILITIES

GPR	$2,906,900
PR	- 4,251,100
Total	- $1,344,200

Governor: Reduce funding by $1,696,100 ($517,900 GPR and -$2,214,000 PR) in 2011-12 and increase funding by $351,900 ($2,389,000 GPR and -$2,037,100 PR) in 2012-13 to reflect estimates of the cost of providing supplies and services, other than food, for residents at the Centers for People with Developmental Disabilities, the Mental Health Institutes, the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center. DHS uses this funding to support medical services and supplies, drugs, clothing, and other supplies.

6. FOOD

GPR	- $216,300
PR	- 627,500
Total	- $843,800

Governor: Reduce funding by $467,400 (-$141,700 GPR and -$325,700 PR) in 2011-12 and by $376,400 (-$74,600 GPR and -$301,800 PR) in 2012-13 to reflect reestimates of the cost of providing food for residents at the Centers for People with Developmental Disabilities, the Mental Health Institutes, the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center in the 2011-13 biennium.

7. CONTRACTED SERVICES FOR MENTAL HEALTH CLIENTS

GPR	$515,800

Governor: Reduce funding by $10,200 in 2011-12 and increase funding by $526,000 in 2012-13 to fund projected increases in the costs of certain contracted services for mental health clients served by DHS facilities.

Supervised Release. Provide $332,400 in 2011-12 and $683,000 in 2012-13 to fund projected increases in the costs of treating individuals who are committed as sexually violent persons under Chapter 980 of the statutes and who have been released by the court under the supervision of DHS. It is estimated that the average number of individuals on supervised release will increase from 22 in 2009-10 to 28 in 2011-12 and 32 in 2012-13, with per person costs averaging $75,480 in 2011-12 and $77,000 in 2012-13.

Outpatient Competency Examination. Reduce funding by $162,400 in 2011-12 and $140,400 in 2012-13 to reflect estimates of the funding needed for outpatient competency examinations. Although there are no projected changes in the number of outpatient competency-to-stand-trial examinations from 2011 to 2013, examination costs are projected to increase by 2% annually. DHS contracts with a private vendor, currently Wisconsin Forensics Unit (WFU), to conduct outpatient examinations in jails or locked units of a facility. It is estimated that the vendor will conduct 1,100 outpatient examinations each year at a cost of $1,220 per examination in 2011-12, and at a cost of $1,240 per examination in 2012-13.

Conditional Release. Reduce funding by $76,300 in 2011-12 and increase funding by $51,400 in 2012-13 to reflect reestimates of the cost of contracting with the Department of Corrections to supervise individuals who have been conditionally released from the state Mental

Health Institutes. This reestimate reflects lower-than-expected population growth compared to the 2009-11 budget estimates. It is estimated that the average daily population (ADP) of individuals on conditional release will be 283 in 2011-12 and 285 in 2012-13, at an annual cost of $14,900 per person in 2011-12 and $15,200 per person in 2012-13.

Restoration to Competency. Reduce funding by $121,800 in 2011-12 and $104,200 in 2012-13 to reflect reestimates of the cost of contracting with Behavioral Consultants, Inc. to provide outpatient restoration to competency services. This reestimate reflects lower-than-expected service costs compared to the 2009-11 budget estimates. It is estimated that 26 individuals will receive outpatient treatment in 2011-12 at an annual cost per individual of $12,200 and 27 individuals will receive services in 2012-13 at an annual cost per individual of $12,400.

Other Corrections Contract Costs. Provide $17,900 in 2011-12 and $36,200 in 2012-13 to support projected increases in the cost of other services provided by the Department of Corrections, including contract supervision, escort transportation, and rental of GPS equipment.

In total, the bill would provide $9,125,000 GPR in 2011-12 and $9,661,200 GPR in 2012-13 to fund these services.

8. STATE CENTERS -- RETAIN SWC POSITIONS AND FUND ITP ASSESSMENTS AND PROJECTED INCREASES IN ICF-MR ASSESSMENT

	Funding	Positions
PR	$17,981,000	103.65

Governor: Provide $8,675,600 and 105.41 positions in 2011-12 and $9,305,400 and 103.65 positions in 2012-13 to: (a) partially restore staff and funding that was deleted in 2009 Wisconsin Act 28 due to anticipated decreases in resident populations at Southern Wisconsin Center (SWC) during the 2009-11 biennium; (b) fund additional assessments for individuals admitted to the intensive treatment program (ITP) at SWC; and (c) fund projected increases in the monthly assessment on licensed beds in intermediate care facilities for the mentally retarded (ICFs-MR).

Restore Act 28 Position and Funding Reductions. 2009 Act 28 reduced SWC funding by $1,010,900 in 2009-10 and by $5,073,000 in 2010-11 and 120.10 positions in 2010-11, based on an assumption that 70 individuals would voluntarily relocate from SWC to the community in the 2009-11 biennium. In 2009-10, eight individuals relocated to the community. The administration estimates that three residents will relocate by the end of the current biennium. This item includes funding for the following: (a) salary and fringe benefits for 105.41 positions in 2011-12 and 103.65 positions in 2012-13 that are currently scheduled to terminate at the end of the 2010-11 fiscal year ($5,745,000 in 2011-12 and $5,687,300 in 2012-13); (b) the restoration of funding for overtime costs at SWC ($1,954,300 annually); and (c) the restoration of funding for food, variable nonfood, and supplies and services ($136,100 in 2011-12 and $106,500 in 2012-13).

ITP Assessments. 2009 Act 28 also provided funding to staff 30 intensive treatment program (ITP) beds at SWC. However, fewer individuals participated in ITP than anticipated due to delays in building renovations. This item would provide $156,000 annually to fund 1,040 hours of contracted psychiatric and primary care physician services to conduct physician and psychiatric assessments required for ITP admission.

ICF-MR Bed Assessment. The administration estimates that the assessment on licensed beds at ICFs-MR will increase from $770 per bed per month in 2010-11 to $875 per bed per month in 2011-12 and to $995 per bed per month in 2012-13. This item provides $684,200 in 2011-12 and $1,401,300 in 2012-13 to enable the centers to pay this increase in monthly assessments.

9. MENDOTA JUVENILE TREATMENT CENTER

PR	$473,700

Governor: Provide $200,200 in 2011-12 and $273,500 in 2012-13 to fund projected increases in the cost of salary and fringe benefits for 50.5 PR positions at the Mendota Juvenile Treatment Center (MJTC). MJTC is a juvenile correctional facility in Madison that provides evaluations and treatment for juveniles whose behavior presents serious problems to themselves or others in other juvenile correctional facilities and whose mental health needs can be met at MJTC.

In addition, modify a statutory provision that identifies the amount of PR funding the Department of Corrections is required to transfer to DHS to support MJTC in each year to specify that $2,890,700 PR in 2011-12 and $2,964,000 PR in 2012-13 would be transferred to support this unit. The amount of GPR funding Corrections is required to transfer annually ($1,365,500) would not change. Consequently, Corrections would be required to transfer $4,256,200 ($1,365,500 GPR and $2,890,700 PR) in 2011-12 and $4,329,500 ($1,365,500 GPR and $2,964,000 PR) in 2012-13 to support MJTC.

In 2010-11, Corrections is required to transfer $4,261,600 ($1,365,500 GPR and $2,896,100 PR) to DHS. The net funding changes in the annual statutory allocation, compared to the 2010-11 allocation (-$5,400 in 2011-12 and $67,900 in 2012-13) are due to several adjustments that take into account this item and other items in the DHS budget, including standard budget adjustments and the Governor's proposal to increase employee contributions to pension and health insurance costs.

[Bill Section: 1273]

10. SHARED SERVICES -- MENDOTA AND CENTRAL WISCONSIN CENTER

	Positions
GPR	- 0.05
PR	0.05
Total	0.00

Governor: Convert 0.05 GPR position to 0.05 PR position, beginning in 2011-12, to more accurately assign costs for positions that perform services for both Mendota Mental Health Institute (MMHI) and Central Wisconsin Center (CWC) in Madison. Currently, 0.05 GPR position that supervises crafts workers is part of MMHI's budget, but CWC supports the services the position provides with PR funds it transfers to MMHI to reflect services the position provides to CWC. This item would reassign the position to CWC's budget to reduce the need for MMHI to charge CWC for these services.

11. REPEAL PHARMACY REQUEST FOR PROPOSALS PROVISION

Governor: Repeal a provision that requires DHS to issue a request for proposals (RFP) to provide pharmacy management services for the state's treatment facilities, including Mendota Mental Health Institute, Winnebago Mental Health Institute, the Wisconsin Resource Center (WRC), the State Centers for the Developmentally Disabled, and Sand Ridge Secure Treatment Center (SRSTC).

This requirement was enacted as part of 2007 Act 20. The Department issued this RFP in January, 2009. As a result of the RFP, a contract was awarded for pharmacy management services at Northern Wisconsin Center and Southern Wisconsin Center in December, 2010. Contracts were not awarded for the other facilities for the following reasons: (a) none of the vendors that responded to the RFP met the accreditation requirements to serve the Mental Health Institutes, including the WRC; (b) pharmacy services at SRSTC changed substantially during the RFP process and could no longer be included in the original RFP; and (c) the in-house pharmacy at Central Wisconsin Center was more cost effective in a cost comparison with vendors. As the statutory requirement has been fulfilled, the administration considers this statutory provision obsolete.

[Bill Section: 1663]

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$38,906,300	0.00
FED	9,408,400	- 25.00
PR	17,710,600	0.00
SEG	39,200	0.00
Total	$66,064,500	- 25.00

Governor: Provide $33,576,200 ($19,438,700 GPR, $5,262,600 FED, $8,855,300 PR, and $19,600 SEG) and delete 17.50 FED positions in 2011-12, and provide $32,488,300 ($19,467,600 GPR, $4,145,800 FED, $8,855,300 PR, and $19,600 SEG) and delete 25.00 FED positions in 2012-13 to reflect the following standard budget adjustments: (a) turnover reduction (-$545,000 GPR, -$1,152,600 FED, and -$391,000 PR annually); (b) removal of non-continuing items (-$280,500 GPR, -$764,000 FED, -$252,100 PR, and -17.50 FED positions in 2011-12, and -$280,500 GPR, -$1,880,800 FED, -$252,100 PR and -25.00 FED positions in 2012-13); (c) full funding of salaries and fringe benefits ($16,072,200 GPR, $6,976,300 FED, $2,553,000 PR, and $18,700 SEG annually); (d) overtime ($2,024,300 GPR and $4,291,500 PR annually); (e) night and weekend salary differentials ($1,978,600 GPR, $105,600 FED, and $2,527,500 PR in 2011-12, and $2,007,500 GPR, $105,600 FED, and $2,527,500 PR in 2012-13); (f) lease and directed move costs ($189,100 GPR, $97,300 FED, $126,400 PR, and $900 SEG annually); and (g) minor transfers within appropriations.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $19,253,000
FED	- 8,197,200
PR	- 18,473,200
SEG	- 31,800
Total	- $45,955,200

Governor: Delete $22,980,100 in 2011-12, and $22,975,100 in 2012-13, to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $9,626,500 GPR, $4,098,600 FED, and $15,900 SEG annually, and $9,239,100 PR in 2011-12 and $9,234,100 PR in 2011-13. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. 10% ACROSS-THE-BOARD REDUCTION FOR NON-STAFF COSTS

GPR	- $11,497,200
PR	- 3,888,600
Total	- $15,385,800

Governor: Reduce funding by $7,692,900 (-$5,748,600 GPR and -$1,944,300 PR) annually to reduce base funding for non-staff costs by 10% in most of the Department's GPR and PR appropriations. The following table lists the appropriations that would be affected by these reductions, the base funding for non-staff costs in these appropriations, and the annual reduction under this item. Other items in the Governor's budget may affect funding budgeted for these appropriations, in addition to the reductions listed below.

Fund Source	Appropriation	Base Non-Staff Costs	Amount of Annual Reduction
	Public Health		
GPR	General Program Operations	$1,107,100	-$110,700
GPR	AIDS/HIV Services	6,386,600	-638,700
GPR	General Aids and Local Assistance	573,200	-57,300
GPR	Well Woman Program	2,228,200	-222,800
GPR	Cancer Control and Prevention	371,000	-37,100
GPR	Emergency Medical Services -- Aids	2,178,000	-217,800
GPR	Dental Services	3,004,800	-300,500
GPR	Clinic Aids	74,200	-7,400
GPR	Rural Health Dental Clinics	995,000	-99,500
GPR	Food Distribution Grants -- Emergency Food Assistance Program	320,000	-32,000
GPR	Statewide Poison Control Program	425,000	-42,500
GPR	Public Health Dispensaries and Drugs -- Tuberculosis	734,400	-73,400
GPR	Radon Aids	29,700	-3,000
GPR	Lead Poisoning and Exposure Services	994,100	-99,400
GPR	Pregnancy Counseling	76,800	-7,700
GPR	Supplemental Food Program for Women, Infants and Children (WIC) Benefits	179,300	-17,900
GPR	Reducing Fetal and Infant Mortality -- Racine County	247,500	-24,800
GPR	Pregnancy Outreach and Infant Health	209,100	-20,900
GPR	Community Health Centers	6,100,000	-610,000
GPR	Tobacco Use Control Grants	6,850,000	-685,000

Fund Source	Appropriation	Base Non-Staff Costs	Amount of Annual Reduction
PR	Minority Health Program	$148,500	-$14,900
PR	Native American Health Projects	118,800	-11,900
PR	Native American Diabetes Prevention and Control	25,000	-2,500
PR	Licensing, Review and Certifying Activities -- Fees	9,591,300	-959,200
PR	Cancer information	20,000	-2,000
PR	WIC Administration	60,000	-6,000
PR	Health Care Information -- Operations	902,700	-90,300
PR	Congenital Disorders -- Services and Operations	3,159,300	-316,000
PR	Administrative Service Fees	125,000	-12,500
	Health Care Access and Accountability		
PR	Tribal Relief Block Grants	$792,000	-$79,200
PR	MA Outreach and Reimbursements for Tribes	1,059,300	-105,900
	Mental Health and Substance Abuse Services		
GPR	General Program Operations	$500,200	-$50,000
GPR	Grants for Community Programs	5,933,500	-593,400
GPR	Mental Health Treatment Services	10,628,000	-1,062,800
GPR	Community Support Programs and Psychosocial Services	4,175,000	-417,500
GPR	Initiatives for Coordinated Services	202,000	-20,200
PR	Compulsive Gambling Awareness Campaigns	396,000	-39,600
PR	Native American Aids	268,900	-26,900
PR	Native American Drug Abuse Prevention and Education	495,000	-49,500
PR	Alcohol and Other Drug Abuse Initiatives	581,200	-58,100
PR	Collection Remittances to Local Governments	4,900	-500
PR	Services for Drivers -- Intoxicated Driver Program	990,000	-99,000
PR	Administrative Service Fees	4,500	-500
	Quality Assurance		
GPR	General Program Operations	$1,052,800	-$105,300
PR	Nursing Facility Resident Protection	149,500	-15,000
PR	Administrative Service Fees	52,900	-5,300
	Long-Term Care Services		
PR	Elderly Nutrition -- Home-delivered and Congregate Meals	$495,000	-$49,500
	General Administration		
GPR	General Program Operations	$1,909,400	-$191,000
	Total Reduction, All Funds	$76,924,700	-$7,692,900

4. DEBT SERVICE REESTIMATE

GPR	$12,978,700

Governor: Increase funding by $6,382,800 in 2011-12 and by $6,595,900 in 2012-13 to reflect the current law reestimate of debt service payments for DHS care facilities.

5. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $13,109,300

Governor: Reduce funding by $13,719,200 in 2011-12 and increase funding by $609,900 in 2012-13 to reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. (See "Building Commission" for additional information regarding this provision.) The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts.

6. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $1,485,600	- 11.42
FED	- 1,022,800	- 8.80
PR	- 4,653,600	- 32.14
Total	- $7,162,000	- 52.36

Governor: Delete $3,581,000 (all funds) and 52.36 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $742,800 GPR and 11.42 GPR positions, $511,400 FED and 8.80 FED positions, and $2,326,800 PR and 32.14 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

7. ATTORNEY POSITION TRANSFER

	Funding	Positions
FED	$305,400	1.00

Governor: Provide $152,700 annually and 1.0 position, beginning in 2011-12, to reflect the transfer of an attorney position from the Office of State Employment (OSER) in the Department of Administration to DHS. The bill would reduce OSER's budget by $149,700 PR and 1.0 PR position, beginning in 2011-12. The funding amounts differ because the fringe benefit rate for DHS positions (44.60%) is greater than the rate for OSER positions (41.78%). This attorney position currently provides services for DHS through an inter-agency agreement with OSER.

8. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.0 GPR classified position and 1.0 FED classified position, and provide 2.0 GPR unclassified position and 1.0 FED unclassified position in the appropriations for DHS general administration.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Act 10 in regards to the transfer of classified positions to unclassified positions.

9. FEDERAL REVENUE REESTIMATES

FED	$79,893,300

Governor: Provide $39,231,800 in 2011-12 and $40,661,500 in 2012-13 to reflect estimates of changes in federal funding for selected DHS programs in the 2011-13 biennium. The following table, organized by DHS division, shows the base funding amount for appropriations affected by this item, the funding change under this item, the change under other items in the bill, and the total amount budgeted in each year of the 2011-13 biennium.

		2011-12			2012-13		
	2010-11 Base	Funding Adjustment	Other Funding Changes in Bill	Total	Funding Adjustment	Other Funding Changes in Bill	Total
Public Health							
WIC Benefits	$85,000,000	$8,000,000	$0	$93,000,000	$8,000,000	$0	$93,000,000
Project Operations	20,631,200	3,542,900	52,700	24,226,800	4,712,300	-735,300	24,608,200
Project Aids	55,000,000	5,381,100	0	60,381,100	5,381,100	0	60,381,100
Preventive Health Block Grant	2,724,600	-808,500	-104,800	1,811,300	-847,000	-104,800	859,500
Maternal and Child Health Block Grant	11,638,200	-1,567,100	23,400	10,094,500	-1,347,300	23,400	10,314,300
Health Care Access and Accountability							
Income Maintenance	55,935,400	1,156,200	-9,189,100	47,902,500	1,156,200	-31,206,200	25,885,400
ARRA FoodShare Administrative Supplement	2,313,000	-2,313,000	0	0	-2,313,000	0	0
Project Aids	400,000	600,000	0	1,000,000	600,000	0	1,000,000
Family Care Contract Administration	10,064,000	5,936,000	106,200	16,106,200	5,936,000	1,667,200	17,667,200
Disability Determinations	10,230,400	2,254,600	0	12,485,000	2,254,600	0	12,485,000
Mental Health and Substance Abuse							
Project Aids	107,800	8,392,200	0	8,500,000	8,392,200	0	8,500,000
Project Operations	2,500	747,500	0	750,000	747,500	0	750,000
Substance Abuse Block Grant	17,449,000	1,064,300	61,300	18,574,600	1,064,300	61,300	18,574,600
Mental Health Block Grant	640,900	50,000	-1,500	689,400	50,000	22,400	713,300
Quality Assurance							
Medical Assistance -- Administration	26,000	-6,400	-19,600	0	-6,400	-19,600	0
Aging Programs -- Operations	3,200	100	-3,300	0	100	-3,300	0
Long-Term Care							
Medical Assistance Administration	11,528,000	1,045,400	92,100	12,665,500	1,089,300	44,400	12,661,700
Project Aids	663,100	2,983,100	-600	3,645,600	2,983,100	-600	3,645,600
Social Services Block Grant	21,959,300	-94,900	0	21,864,400	-201,100	0	21,758,200
TANF-Converted Community Aids Funding	12,643,000	2,474,300	0	15,117,300	2,495,300	0	15,138,300
General Administration							
Project Operations	23,000	-36,100	33,200	20,100	-36,100	33,200	20,100
Program Operations	1,230,200	430,100	-150,700	1,509,600	550,400	-150,700	1,629,900
Total		**$39,231,800**			**$40,661,500**		

10. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	$18,162,300

Governor: Provide $8,606,000 in 2011-12 and $9,556,300 in 2012-13 for funding adjustments to program revenue appropriations. In addition, reclassify a PR gifts and grants appropriation for the mental health and substance abuse program as a state operations appropriation, rather than an aids to individuals appropriation. The following table, organized by DHS division, shows the base funding amount for appropriations affected by this item, the funding change under this item, the change under other items recommended by the Governor for these appropriations and the total amount that would be budgeted in each year of the 2011-13 biennium for these appropriations.

		2011-12			2012-13		
	2010-11 Base	Funding Adjustment	Other Items in Bill	Total	Funding Adjustment	Other Items in Bill	Total
Public Health							
Congenital Disorders	$3,072,600	$107,300	-$307,300	$2,872,600	$221,000	-$307,300	$2,986,300
Gifts and Grants	4,991,800	10,008,200	-300	14,999,700	10,008,200	-300	14,999,700
EMS Licensing Fees	0	31,600	0	31,600	31,600	0	31,600
WIC Administration	60,000	30,000	-6,000	84,000	30,000	-6,000	84,000
Health Care Information	1,167,400	155,200	-83,000	1,239,600	122,800	-83,000	1,207,200
Institutions and Related Services							
Repair and Maintenance	$825,300	$19,900	$0	845,200	$39,800	$0	$865,100
Developmental Disability Center Operations	101,941,000	-193,000	6,481,600	108,229,600	-192,500	7,247,600	108,996,100
Farm Operations	30,000	20,000	0	50,000	20,000	0	50,000
Activity Therapy	72,500	159,100	0	231,600	178,300	0	250,800
Gifts and Grants	388,600	-200,000	0	188,600	-200,000	0	188,600
Extended Intensive Treatment Surcharge	0	500,000	0	500,000	500,000	0	500,000
Power Plant Operations	4,617,200	296,400	-9,600	4,904,000	831,100	-9,600	5,438,700
Health Care Access and Accountability							
SeniorCare Enrollment Fees	$2,804,200	$88,500	-$9,000	$2,883,700	$141,200	-$9,000	$2,936,400
Disease Aids Drug Manufacturer Rebates	241,000	148,400	0	389,400	148,400	0	389,400
Interagency and Intra-agency Local Assistance	1,049,300	87,500	0	1,136,800	87,500	0	1,136,800
Mental Health and Substance Abuse							
Fees for Administrative Services	$4,500	$19,900	-$500	$23,900	$19,900	-$500	$23,900
Interagency and Intra-agency Programs	1,123,000	1,712,600	-65,300	2,770,300	1,722,300	-65,300	2,780,000
Long-Term Care							
Children's Long-term Support Waivers	$263,200	$100,300	$0	$363,500	$116,000	$0	$379,200
Fees for Administrative Services	5,000	25,000	0	30,000	25,000	0	30,000
Gifts and Grants	15,100	120,900	0	136,000	120,900	0	136,000
Interagency and Intra-agency Programs	2,891,500	-1,376,900	60,700	1,575,300	-1,376,900	60,700	1,575,300
Interagency and Intra-agency Local Assistance	99,000	1,158,800	0	1,257,800	1,158,800	0	1,257,800
General Administration							
Administration	$1,380,400	-$859,900	$188,000	$708,500	-$835,400	$188,000	$733,000
Personnel	3,198,500	-978,900	-57,400	2,162,200	-829,400	-57,400	2,311,700
Fiscal Management System	1,326,600	-503,100	-22,100	801,400	-460,500	-22,100	844,000
Automated Personnel System	100,000	-12,400	0	87,600	-12,400	0	87,600
Bureau of Information and Technology Services Pass-Thru	11,600,000	-4,100,000	0	7,500,000	-4,100,000	0	7,500,000
Interagency and Intra-agency Programs	1,200	40,600	0	41,800	40,600	0	41,800
Interagency and Intra-agency Aids	0	2,000,000	0	2,000,000	2,000,000	0	2,000,000
Total		**$8,606,000**			**$9,556,300**		